

WEST YORKSHIRE COMBINED AUTHORITY

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 2 FEBRUARY
2023
IN COMMITTEE ROOM 1, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS**

A G E N D A

Please note that this meeting will be filmed for live or subsequent broadcast via the Combined Authority's internet site. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. Generally, the public seating areas will not be filmed; however, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting. If you have any queries regarding this, please contact Governance Services on 0113 251 7220.

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
 1. To highlight Agenda item 13, appendices 1, 2 and 3 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.
 2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out in Agenda item 13, appendices 1, 2 and 3
 3. If the recommendation is accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 of

Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Agenda Item 13, appendices 1, 2, and 3 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. MINUTES OF THE MEETING OF THE COMBINED AUTHORITY HELD ON 8 DECEMBER 2022

(Pages 1 - 10)

For Decision

5. BUSINESS PLANNING AND BUDGETS

(Lead Member: The Mayor, Director: Angela Taylor)
(Pages 11 - 52)

6. PIPELINE DEVELOPMENT PRIORITIES

(Lead Member: The Mayor, Director: Alan Reiss)
(Pages 53 - 72)

7. BUS SERVICE FUNDING UPDATE

(Lead Member: Cllr S Hinchcliffe, Director: Dave Pearson)
(Pages 73 - 78)

8. ADULT EDUCATION BUDGET RATES

(Lead Member: Cllr J Lewis, Director: Phil Witcherley)
(Pages 79 - 88)

9. LEP GOVERNANCE

(Lead Member: The Mayor, Director: Alan Reiss)
(Pages 89 - 114)

10. ASSURANCE FRAMEWORK ANNUAL REVIEW

(Lead Member: The Mayor, Director: Melanie Corcoran)
(Pages 115 - 198)

11. PROJECT APPROVALS

(a) INVESTMENT PRIORITY 1: GOOD JOBS AND RESILIENT BUSINESSES

(Lead Member: Cllr J Lewis, Director: Phil Witcherley)
(Pages 199 - 226)

(b) INVESTMENT PRIORITY 3: CREATING GREAT PLACES AND ACCELERATED INFRASTRUCTURE

(Lead Member: Cllr D Jeffery, Director: Liz Hunter)
(Pages 227 - 258)

(c) **INVESTMENT PRIORITY 5: FUTURE TRANSPORT**

(Lead Member: Cllr S Hinchcliffe, Director: Dave Haskins)
(Pages 259 - 314)

12. GOVERNANCE ARRANGEMENTS

(Lead Member: The Mayor, Director: Ben Still)
(Pages 315 - 320)

13. COSTAR INNOVATION HUB

(Lead Member: Cllr J Lewis, Director: Phil Witcherley)
(Pages 321 - 338)

For Information

14. MINUTES FOR INFORMATION

(Pages 339 - 340)

Signed:

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**Chief Executive
West Yorkshire Combined Authority**

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**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON THURSDAY, 8 DECEMBER 2022 AT COMMITTEE ROOM 1,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Mayor Tracy Brabin (Chair)	West Yorkshire Combined Authority
Councillor Susan Hinchcliffe	Bradford Council
Councillor Stewart Golton (Substitute)	Leeds City Council
Councillor James Lewis	Leeds City Council
Councillor Cathy Scott (Substitute)	Kirklees Council
Councillor Rebecca Poulsen	Bradford Council
Mark Roberts	Leeds City Region Local Enterprise Partnership
Councillor Jane Scullion (Substitute)	Calderdale Council
Councillor Andrew Waller	City of York Council

In attendance:

Ben Still	West Yorkshire Combined Authority
Melanie Corcoran	West Yorkshire Combined Authority
Dave Pearson	West Yorkshire Combined Authority
Alan Reiss	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Philip Witcherley	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Ian Parr	West Yorkshire Combined Authority

50. Apologies for Absence

Apologies for absence were received from Cllr Pandor, Cllr Swift, Cllr Holdsworth, Cllr Jeffery, Cllr Morley, Cllr Robinson, and Cllr Carter.

The Mayor opened the meeting and noted that the impact of inflation upon West Yorkshire remains a key issue for the Combined Authority, and along with all other mayoral combined authorities the Combined Authority is reviewing upcoming projects to ensure sustainable and swift delivery when budget constraints allow. The Combined Authority is working closely with the local authorities to minimise disruption and ensure no part of the region is unfairly impacted.

The Mayor provided an update on her recent meeting with the Transport Secretary, Mark Harper, in which the ongoing issue regarding the number of

cancelled services was raised, and it was stressed that action must be taken by government to address the issues. Further contact has been made with the Secretary of State, with the hope that decisive action is taken in the coming days.

51. Declarations of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

52. Exempt Information - Possible Exclusion of the Press and Public

There were no items that required the exclusion of the press and public.

53. Minutes of the Meeting of the Combined Authority held on 21 October 2022

Resolved: That the minutes of the meeting of the West Yorkshire Combined Authority held on 21 October 2022 be approved and signed by the Chair.

54. Crisis in the Cost of Living and Doing Business

Members received a report from the Director of Strategy, Communications and Intelligence to provide an update on latest economic intelligence and the Combined Authority's response to cost of living crisis.

Economic forecasts predict the UK will experience a recession lasting until 2024, driven by higher energy costs and the war in Ukraine, among other factors. West Yorkshire will be disproportionately affected compared with other UK areas, with around one third of households falling within the poorest 20% of neighbourhoods in England. This means households will spend a higher proportion of their income on energy and essentials, with lower or diminishing savings as the cost-of-living crisis continues. Energy intensive businesses such as manufacturing are also struggling, with approximately 57,000 employees affected and a potential £8 billion in turnover at risk.

Support packages have already been agreed by the Combined Authority, such as the Mayor's Cost of Living fund and the Mayor's Fares scheme, with further support to be agreed. Expressions of interest have already been received from businesses regarding support for decarbonisation and energy saving, and further support is available in the form of financial, housing, and jobs advice, with the aid of local authorities and the voluntary sector.

The Mayor has sent a letter to the Chancellor setting out key priorities for West Yorkshire – help for businesses' energy bills, the delivery of the Northern Powerhouse Rail, and the commitment to a new mass transit system. There are potential opportunities to explore regarding investment zones, as well as a review of the way Mayoral Combined Authorities receive and allocate funding.

Members noted discussions from the recent LEP board meeting, with business owners concerned that inflation and energy bills could still rise for

businesses, and the consequences of potential energy blackouts. In research undertaken on the behalf of the Combined Authority, 67% of businesses responded with concerns about their survival, most of them being small-to-medium enterprises. The LEP board discussed the regional response, emergency grants, support for vulnerable people, and the launch of the Employment West Yorkshire scheme. Members pointed out importance of the voluntary sector and non-profit organisations, and private sector support is available to provide training.

Members questioned if there is capacity to support businesses who have not yet expressed an interest in the available support. Officers confirmed this is the case.

Resolved: That the latest intelligence be noted, the implications of the current economic situation for businesses within the region be discussed, and the action taken so far by the Combined Authority, and the next steps following the Autumn Statement be noted.

55. Inflation - Transport Programmes

The Combined Authority received a report from the Director of Transport Policy and Delivery to approve the pausing of some projects and approve funding for others identified in the report. The same report was presented to the Finance, Resources, and Corporate Committee on 10 November, with total identified savings of £266 million. Officers expressed thanks to the local authority partners authority partners for the joint work.

Officers emphasised that no schemes are being discarded, only paused until the delivery becomes viable. Work will progress outstanding business cases and identifying external funding sources to ensure that schemes are ready for delivery as soon as possible. Officers clarified the three main criteria for reviewing projects – financial viability, deliverability, and timescales. Some projects will be paused in their entirety, and others may only be paused in part.

Members raised concerns that projects are stopped without consulting the affected communities. Officers confirmed that consultation is a part of the business case for each project, with multiple means through which communities are kept up to date. Members noted the importance of their role in communicating with local communities.

Members questioned if schemes from the CRSTS funding stream will be affected, officers responded they are not, however there is a time limit on some funding streams.

Resolved: The Combined Authority approved:

- i) The projects to be pipelined and the Revised Full Funding required to reach the pause decision point, as set out in this report. (Appendix 1).

- ii) The new project indicative / full allocations, as set out in this report (Appendix 2).
- iii) The additional funding requests on projects in WYTF, TCF and CRSTS, as set out in this report.
- iv) The re-baselined based on the milestone information included in the report (Appendix 3 and 4).
- v) That no further approvals for the changes requested will be required through the Assurance Framework and that projects continue on their approval pathways and routes to the next decision point.
- vi) The Combined Authority enters into a Funding Agreement or an addendum to the existing Funding Agreement with the relevant partner for expenditure as detailed in Appendix 1 and 2 and for milestone dates as detailed in Appendix 3 and 4.

56. Business planning and budgets

The Combined Authority received a report from the Director of Corporate and Commercial Services to consider the 2022/23 business forecast, and provide an update on the 2023/24 budget process.

The 2023/24 budget will be aligned with the new directorate structure to support the focus on outcomes and delivery. The Combined Authority's income has not increased in line with inflation, and reviews are being undertaken to identify additional savings and funding. Officers acknowledged the need to manage the cost pressures without increasing the cost for the local authorities. Transport-related costs are especially difficult due to the volatile nature of available funding as well as still-recovering bus passenger numbers, though it is key to maintain the same or better levels of service with the available budget.

Members praised the involvement of the Local Government Association with the Communications review, and requested the outcomes of the review be shared with members. Officers offered to circulate the outcomes, and added that many of the Combined Authority's existing plans were endorsed by the LGA. Discussions have been held regarding additional consultation across the whole Combined Authority in late 2023.

Members queried how cross-boundary services are supported and how relationships with authorities neighbouring West Yorkshire are managed. Officers confirmed that relationships with cross-boundary services are managed in the same way as West Yorkshire services.

Members noted the need for ward members and communities to be informed of new developments. It was noted that there are committees and information channels through which information is distributed. Officers added that operators are required to register any service cuts with the Traffic Commissioner two months in advance, and are required to share the same

information with the Combined Authority. Service cuts are shared with the appropriate ward members wherever possible, however cuts are not always able to be shared in the public domain.

Resolved:

- i) That changes to the 2022/23 business plans be approved.
- ii) That the Combined Authority consider the emerging budget for 2023/24
- iii) That input be provided and consideration be given to the emerging outcome led business plans for 2023/24.

57. Culture, Heritage and Sport Framework

The Combined Authority received a report from the Interim Director of Inclusive Economy, Skills, and Culture to approve the final version of the Culture, Heritage and Sport Framework.

Officers informed members the framework has been out for public consultation conducted through the Your Voice platform as well as multiple community events. The majority of the feedback was positive and will help to guide the investment, and further collaboration with external organisations will help to unlock additional funding. The framework targets communities with limited access to cultural events, and the diversity of the sector is growing. Job resilience is an important focus due to the proportion of freelancing jobs within the sector, though since the area is relatively new there are questions regarding how support is measured and evaluated.

The Mayor thanked the Culture, Heritage and Sport Committee members for their input, and noted that the cultural sector in West Yorkshire contributes around £2 billion per year to the economy and continues to grow. There are several cultural events in West Yorkshire to be delivered in the coming months which will bring further development, and emphasised the cultural sector is not just about holding events, as it offers employment, skills, and training for local people.

Members noted the recent meeting of the Culture, Tourism and Sport board was attended by Visit England, and suggested that there would be an opportunity to develop links if they have not yet been made. Officers agreed and responded that conversations are taking place with multiple organisations, and West Yorkshire is an attractive prospect with upcoming cultural events.

Members noted the relatively low levels of feedback received, officers replied that a more detailed report and breakdown of the feedback was presented to the Culture, Heritage and Sport Committee. The Framework was promoted heavily on social media, and the original response deadline was extended due to the passing of Her Majesty Queen Elizabeth II.

Resolved: That the update on the Cultural, Heritage and Sport Framework be noted, and the Framework text in in Appendix 1 be approved for publication.

58. Project Approvals

(a) Investment Priority 4 - Tackling the Climate Emergency and Environmental Sustainability

Members received a report from the Director of Transport Policy and Delivery on the progression of, and approval of funding for schemes. Officers informed the members that projects will now be presented under their associated investment priorities for clearer understanding of how budgets are spent.

Officers introduced the Business Sustainability Package, which aims to support small and medium-sized enterprises to meet their targets to achieve net zero carbon emissions by 2038 through measuring emissions, identifying improvements, and supporting action to reduce emissions.

Members noted the scheme builds upon previous schemes which have already helped to reduce annual emissions of supported businesses by 4,500 tonnes of carbon and reducing their energy bills.

Resolved: The Combined Authority approved that:

- (i) The Business Sustainability Package proceeds through decision point 2 (strategic outline case) and decision point 4 (full business case) work commences on activity 5 (delivery).
- (ii) Approval to the Combined Authority's contribution of up to £10,596,934 is given. The total scheme value is up to £21,946,934.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and any change requests are delegated to the Climate, Energy and Environment Committee, which will be subject to the scheme remaining within the tolerances outlined in this report.

(b) Investment Priority 5 - Future Transport

Members received a report from the Director of Transport Policy and Delivery on the progression of, and approval of funding for schemes.

Combined Services and Assets Database Replacement

Officers introduced the Combined Services and Assets (CoSA) Database Replacement, which will support sustainable transport by replacing the current IT system and allowing for better management of bus service data.

Members questioned if the new system will resolve ongoing issues with the real-time information screens at bus stops, which would improve commuters' confidence in buses. Officers responded that it is not a direct resolution but will pave the way towards improvements to the information screens. Separate conversations are being had with operators about how the data used by the real-time information boards can be made more reliable.

TCF - Bradford City Centre Cycling and Walking Improvements

Officers introduced the scheme which is designed to remove traffic in Bradford City Centre, thereby making walking and cycling easier. New public spaces, seating, and artwork will be introduced to improve the area, and new bus hubs, cycle tracks, and pedestrian crossings. Delivery is targeted before the Bradford City of Culture commences.

Members raised concerns regarding disruption to the city centre. Members acknowledged there may be disruption, but the works will ultimately make it more accessible. Officers added that the cost to benefit ratio for the scheme is high when assessed with the Department for Transport criteria, and should bring higher value to Bradford city centre as a destination upon completion.

Resolved:

With respect to the Combined Services and Assets Database (CoSA) Replacement, the Combined Authority approved that:

- (i) The Combined Services and Assets Database (CoSA) Replacement scheme proceeds through decision point 1 (strategic assessment) and work commences on activity 2 to 4 (business justification case).
- (ii) An indicative approval to the Combined Authority's contribution of £615,000. The total scheme value is £615,000.
- (iii) Development costs of £50,000 are approved for development of the business justification case.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outline in this report and any change requests are delegated to the Transport Committee, which will be subject to the scheme remaining within the tolerances outlined in this report.

With respect to the TCF - Bradford City Centre Cycling and Walking improvements, the Combined Authority approved that:

- (i) The TCF Bradford City Centre Cycling and Walking Improvements scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- (ii) An indicative approval to the Combined Authority's contribution of £43,166,000. The total scheme value is £43,266,000.
- (iii) Approval to an additional £3,741,000 of development costs is given, taking the total approval to £5,893,500.
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Bradford Council for expenditure of up to £5,893,500.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report subject to the scheme remaining within the tolerances set out in this report.

59. Committee Appointment

Members received a report from the Head of Legal and Governance seeking approval to appoint Nicky Chance-Thompson, CEO of the Piece Hall Halifax, as the private sector Deputy Chair of the Culture, Heritage and Sport committee.

The report noted that the current Deputy Chair Helen Featherstone has resigned due to taking up a new role from January, and the Mayor expressed her thanks as Chair of the Culture, Heritage and Sport Committee for Helen's contributions during her term.

Resolved: That Nicky Chance-Thompson be appointed to the role of Deputy Chair of the Culture, Heritage & Sport Committee.

60. Director Roles and Appointments

Members received a report from the Chief Executive providing an update on the new directorate structure, to ratify the new appointments of existing directors into new roles, and to approve the creation of two Executive Director roles. The report also provided an update regarding the changes to lead directors for the Combined Authority and thematic committees.

Officers explained that the Combined Authority members had previously taken the decision to approve the new directorate structure, and since then the existing directors have moved into new roles. Two further Executive Director roles will be created and appointed to in due course.

Officers informed the members that Phil Witcherley has been proposed as Interim Director of Inclusive Economy, Skills, and Culture. Melanie Corcoran has also been proposed as Interim Chief Operating Officer. Both roles are

on an interim basis while an external substantive recruitment processes take place.

Resolved:

- (i) That the amendment of the organisation's establishment to create the revised senior structure as set out in Figure 1 be approved.
- (ii) That the appointment of existing Directors into revised roles, shown in Table 1 be ratified.
- (iii) That progression to recruitment of all vacant Director posts in the structure be approved.
- (iv) That the appointment of Phil Witcherley into the post of Interim Director of Inclusive Economy, Skills and Culture, until such time as a substantive appointment is made be approved.
- (v) That the appointment of Melanie Corcoran into the post of Chief Operating Officer from 1 January 2023 on an interim basis, until such time as a substantive appointment is made be approved.
- (vi) That the update to the list of responsible Directors for Combined Authority committees set out in Table 2 be noted.

61. Officer Arrangements

Members received a report from the Head of Legal and Governance containing revisions to the Officer Delegation Scheme, and seeking approval for the Chief Executive to discharge functions to Combined Authority Officers as appropriate.

Resolved:

- (i) That the Officer Delegation Scheme in relation to Non-Mayoral Functions attached as Appendix 1 to the report to be brought into immediate effect, noting that some elements will come into effect from 1 January 2023 as referenced within the Scheme itself.
- (ii) That the Chief Executive be authorised to discharge any functions that the Combined Authority or one of its committees may have delegated outside of the Officer Delegation Scheme to a Combined Authority officer in relation to a specific matter.
- (iii) That it be noted that the Head of Legal & Governance Services will make any consequential revisions to the Constitution and other key documents.

62. Minutes for Information

Resolved: That the minutes and notes of the Combined Authority's committees and panels be noted.



Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **Business Planning and Budgets**

Director: Angela Taylor, Director of Finance and Commercial Services

Author: James Nutter, Corporate Planning and Performance Manager

Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To approve the 2023/24 outcome led business plan.
- 1.2 To consider and approve the proposed revenue budget and transport levy for 2023/24, the revised position for 2022/23, the indicative capital budget and programme and treasury management statement.

2. Information

Introduction

- 1.3 2022/23 has been a challenging year for everyone. The war in Ukraine, rampant inflation, pay and local government funding pressures have combined to create a very difficult period in which to plan and budget. At the same time the climate emergency and levelling up agenda continue to necessitate a comprehensive response by the region over the short, medium and long terms.
- 1.4 The resultant cost of living and cost of doing business crisis has prompted a refocussing of some activity within the Combined Authority and the overall focus has been on continued delivery of services and projects to turn the Mayor's pledges into action in the regions. Some of the successes achieved during this difficult period include:

Creating a safer West Yorkshire

- Safety of women and girls strategy launch
- £14 million fund for victim services secured

- Police and Crime plan launch
- Mayors' safer community fund supported over 23,000 people
- Stalking advocacy service launch
- Bradford Interchange has been awarded 'station of sanctuary' status for the work it does to help asylum seekers and refugees.

Business and skills

- Over 1,000 tech jobs secured
- Supported over 60,000 adult learners
- Supported 542 start-ups to develop and grow
- £3.4million in Apprenticeship levy transfer funding
- Launched a £1 million fund to help businesses struggling with energy bills
- Hosted the West Yorkshire Innovation Festival.

Creativity

- Invested over £11 million for Creative new deal
- Launched a creative showcase celebrating West Yorkshire's £2 billion powerhouse creative sector
- Working with partners on Leeds Year of Culture 2023 and Kirklees Year of Music 2023

Inclusivity

- £3 million for charities to provide food and warmth to those most in need during colder months
- Recruitment of an Equality and Diversity Champion has begun
- Celebrating the women and girls of West Yorkshire with a festival of events for International Women's Day in 2022 and another programme of events is being planned for 2023
- Creation and upcoming launch of an EDI strategy and plan to create a more inclusive West Yorkshire

Transport

- Secured a further funding boost of £2.5 million to develop cycling and walking network after Active Travel England recognised the region as 'Top Tier'
- Launched £2 Mayors Fares for bus journeys across West Yorkshire
- £640,000 to boost active travel
- Launched the MCard safer travel tool

Tackling the Climate Emergency

- 1,000 green skilled jobs have been pledged
- 111 zero emission buses

- £40 million fund identified to tackle the climate and environment emergency
- £1 million for businesses to go green and save on bills
- Launched a £10,000 Mayors innovation prize to tackle the climate emergency

Investing in infrastructure

- Start of White Rose rail station construction
- Construction moves forward on the new Halifax bus station
- Stourton Park and Ride won Transport Project of the Year in the 2022 in the British Construction Industry Awards and the Major Project Award in the 2022 Highways UK Excellence Awards

Business Plan 2023/24

- 1.5 Building on the challenges and successes of 2022/23 an emerging draft 2023/24 business plan and budget were considered by the Combined Authority on 8th December 2022. Members were informed that the plan will align to the new, outcome-led directorate operating model and organisational structure, and consider the immediate and emerging financial environment.
- 1.6 The outcome led business plan has the seven key priorities formulated by the Combined Authority and its partners (see Figure 1) at its heart. These are the ultimate long term impacts that the business plan and the resources marshalled to achieve it, are being directed to deliver. These are consistent with the emerging West Yorkshire Plan which will be brought to the Board for consideration later this year;

Figure 1: Overview of impacts

Creating an accessible, clean and customer focussed transport system	Building a sustainable, nature rich and carbon neutral region	Enabling a diverse, skilled workforce and accessible learning for all	Empowering our communities, towns and cities to thrive	Championing culture, sport and creativity	Driving economic growth and innovation to enable good jobs	Supporting community safety and accountable, proactive policing
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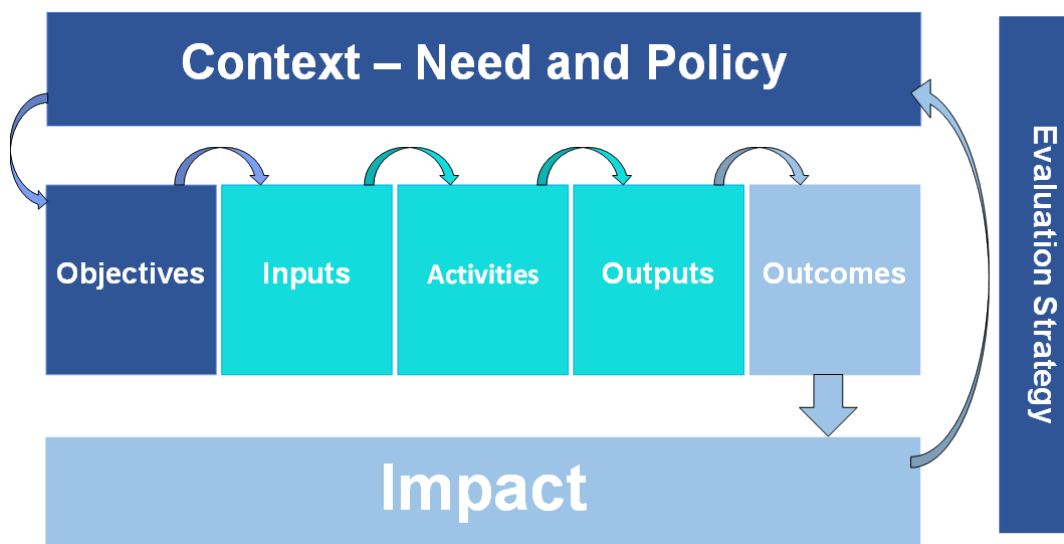
- 1.7 As the above priorities are underpinned by three cross-cutting aims listed below, so is the outcome led business plan. Directors and their teams have been asked to develop their activities and plan for delivery of outcomes with these themes running through them;
- Tackling the climate emergency;
 - Growing an inclusive economy; and
 - Embedding equality, diversity and inclusion.
- 1.8 Examples of how Directors have done this are provided below:

EDI	Applicable to all Directorates - targets from the EDI Action Plan have been worked into each Plan on a Page and will be monitored through the Corporate KPIs.
	A HR outcome is to deliver the HR elements of the EDI objectives and plan, and have various outputs embedded within that which will enable this.
	PMA will strengthen the assessment of EDI and Inclusive Growth to ensure decision makers have the appropriate information to hand when making decisions on project approvals.
	Within Business, Innovation, Skills and Culture policy, all work will be underpinned by EDI principles to ensure that EDI is embedded on their agenda.
	Policing, Crime and VRU will implement the Mayor's Police and Crime Plan through which EDI is a cross-cutting theme, which includes (for example) the Women and Girls Strategy.
	Strategy and Corporate Performance will support the delivery of the organisations EDI vision, through the EDI Action Plan and associated reporting.
	Communications will evolve their approach to inclusive consultations and engagement, and will also support the organisation's ambition to be an inclusive and exemplary employer.
	Passenger Experience will deliver more comprehensive and inclusive services, to make frontline services more inclusive.
	Mobility Services will ensure the Access Service meets customer needs and delivers value for money (this service supports vulnerable adults in West Yorkshire).
	Within Transforming Cities Fund, teams will fully support the diverse communities of West Yorkshire by ensuring decisions are developed based on inclusive decision making.
An outcome for 2023-24 is to begin exploring and developing a Corporate Environmental Sustainability Plan.	
PMA will embed the assessment of carbon and wider climate change impacts to ensure promoters take account of sustainability when developing schemes.	

Tackling the Climate Emergency	Commercial will deliver more social value in the supply chain to support Net Zero ambitions. Carbon impact considerations will form part of all strategies over £60K.
	Within Business Support, SME's will be supported to make meaningful contributions to the climate emergency whilst reducing their footprint. Various outputs embedded within will support this.
	Employment and Skills will develop and implement actions to achieve targets identified in the Digital Skills Plan and from the Mayor's Green Jobs Task Force, including a delivery plan for the creation of 1000 Green Jobs and skills transition from Net Zero.
	Mass Transit will develop a sustainability strategy for mass transit which sets out an approach to carbon reduction measures, Net Zero approaches and climate adaption and biodiversity measures.
	Across Place and Environment Policy and Economic Implementation there are various outcomes related to sustainable housing, flood resilience and solar power.
	Communications will promote actions on climate, culture and place, including campaigns to drive behaviour change.
	Research and Intelligence will enhance tools and evidence used to assess how projects support the 2038 climate ambition for Net Zero.
	Facilities and Assets will focus on reducing carbon and energy emissions through installing solar panels at seven bus stations across West Yorkshire.

- 1.9 The outcomes that will be delivered by the Combined Authority through this coming year's business plan are heavily influenced by the cost of living crisis and tight fiscal environment that the West Yorkshire partnership is operating in. Consideration has been given to the ability to deliver the activities with the budget and people affordable in this tough fiscal climate.
- 1.10 Business plans have been formulated using a 'logic mapping' approach (see Figure 2). Adopting this approach as an integral part of the organisational evolution programme should enable a more effective application of the Combined Authority's principal resources, namely its people and its budgets.

Figure 2: Logic mapping approach



- 1.11 The approach also enables a more integrated approach to corporate performance monitoring and management through a regular assessment of the KPIs (outputs), budget (inputs) updates and people (inputs) through performance reviews. A greater integration of the corporate approach to risk management is also enabled through this approach. Governance and Audit Committee considered this at the January 2023 meeting.
- 1.12 Embedded in each directorate business plan and at a corporate level are the corporate equality, diversity and inclusion targets agreed recently at Strategic Leadership Board. These multi-year targets have been applied so they are relevant for delivery in 2023/24.
- 1.13 The business plan for 2023/24 is presented in the form of nine 'Plans on a Page'. These can be found at **Appendix 1** and there is one for each directorate (noting that the structure of the Corporate Core is still evolving) as well as a summary, corporate one. Subject to the Board approving the 2023/24 business plan and budget, work will then commence on development of the Corporate Plan.
- 1.14 The outcome led approach to business planning will be developed further during the course of 2023 to enable a fully aligned and integrated, outcome led, business plan, budget and resource plan for 2024/25. This will also be strongly linked to the Combined Authority's role in delivery of the West Yorkshire Plan.

Revised outturn for 2022/23 and proposed budget 2023/24

- 2.13 Members considered the emerging position on the proposed budget at the meeting on 8 December. At that time work was close to completion on a revised forecast for the current year and the position for 2023/24 presented a

funding gap of £462k, with work underway to close that position in order to present a balanced budget to this meeting for approval.

- 2.14 Indicative budgets for the subsequent two years have also been prepared to help inform a three year medium term financial strategy. This is challenging in the context of a volatile external economic environment, with assumptions made in February 2022 when setting the budget on inflation and funding for example being subject to significant change over the last eight months.
- 2.15 While inflation generally has caused significant pressure points in this year and subsequent years the most difficult area to manage has been bus tendered services. The impact of COVID-19 on bus operations since 2020 has fundamentally altered the operating environment, with a requirement from government that transport authorities and bus operators work together to provide a viable bus service, with some support from government in the form of bus recovery grants which met some of the additional costs.
- 2.16 The costs of supporting the current bus tendered services have continued to increase in the current year, driven by inflation and the consequences of bus operators actions and failure of CT Plus. At the same time expenditure on concessionary travel has remained at pre-pandemic levels and this has enabled the transfer of budget from concessions to bus tendered services in year. This has enabled the current network to broadly be maintained but means that continuing inflationary increases in future years will not be able to be contained within current budgets.
- 2.17 The transport levy which is paid by the five constituent authorities is set at a level to meet the costs of providing the statutory and other services provided across West Yorkshire. It is required to be set by 15 February in the year preceding that to which the levy applies.
- 2.18 As transport costs are rising due to inflation it would be appropriate to increase the transport levy to reflect this increase. Taking 5% as the benchmark, reflecting the expected increases in council tax nationally, this would generate an additional £4.9 million for 2023/24, rising by £5.2 million the year after.
- 2.19 In practice however the levy has remained largely cash flat (ie real term reduction) over the last ten years, in recognition of the funding challenges facing local authorities. There has been a clear direction provided by local authority partners and confirmed at the last meeting that the Combined Authority should seek to avoid any increase to the transport levy. The budget proposal has therefore been prepared on that basis.
- 2.20 While the levy remains cash flat at a total level, the collection mechanism is based on population so any changes in relative population between the local authorities will change the cost to them. This figure has been provided to the local authority Finance Directors for budget purposes, and shows only a small variation for each partner authority compared to last year (please see **Table 1** below).

	Relevant Population Rebasing mid year population following 2021 census	Net 2022/23 £	Gross 2023/24 £	% of levy By District %	Refund 2023/24 £	Net 2023/24 £
Bradford	546,400	22,903,523	23,932,301	23.24%	946,599	22,985,703
Calderdale	206,600	8,725,131	9,049,073	8.79%	482,771	8,566,302
Kirklees	433,300	17,897,098	18,978,525	18.43%	1,351,020	17,627,506
Leeds	812,000	33,121,629	35,565,572	34.53%	2,119,818	33,445,754
Wakefield	353,300	15,253,207	15,474,528	15.02%	199,203	15,275,325
	2,351,600	97,900,588	103,000,000	100.00%	5,099,411	97,900,589

- 2.21 Adjustments have been made to the levy for a number of years to enable an equitable distribution of funding that has been paid to local authorities when formerly it was paid directly to the Combined Authority (and the former West Yorkshire Integrated Transport Authority). This includes for example concessionary fares funding that was paid to the partner authorities on a different formula basis than population. These adjustments were agreed with them and ensure that they each 'passported' through to the Combined Authority any relevant direct funding received. The mechanism involves setting a gross levy and providing a rebate to each local authority in the year to compensate for any over-recovery. In order to ensure consistency in respective levy payments these agreements have been presumed to continue for 2023/24.
- 2.22 Members may recall that agreement has previously been made for a portion of the annual transport levy to be set aside to fund the West Yorkshire plus Transport Fund reserve. This was created as a means of meeting the required local contribution to the WY+TF for which £750 million was provided by government. Further information is set out in paragraph 2.50 below.
- 2.23 In the absence of additional funding via the levy to meet the pressures on bus tendered services Members endorsed at the last meeting an approach whereby savings achieved on concessionary travel reimbursement are ringfenced to support increasing costs on bus tendered services in 2023/24 and possibly to an extent in 2024/25. This will enable further work to be undertaken during 2023/24 on the network review, with the development of options to determine a sustainable level of service for future years. This will also include an examination of schools services, with a focus on ensuring clarity on the different elements of the provision and how they are funded. Some changes have already had to be made to schools services since the start of the school year which have increased pressure on next year's budget by £279k.
- 2.24 The budgeted position on bus expenditure is set out in the appendix, with net costs on tendered services expected to increase from £19.9 million in the current year to £25.2 million in 2023/24. Assumptions have been made as to the likely level of inflation on bus tendered services, based on current patterns and intelligence from bus operators. This is also impacted by the government funding being provided to both bus operators and local transport authorities which is expected to come to an end in March 2023. Whilst additional funding received from government in 2022/23 has been beneficial in offsetting increased costs in year this creates a significant problem going forward as costs remain at higher levels but the subsidy falls away.

- 2.25 No real changes have been made to concessionary travel reimbursement since the start of the pandemic but a return to the usual method of calculation for the statutory English National Concessionary Travel Scheme (ENCTS) has been anticipated in the budget planning for next year. The reimbursement calculations are based on a model from which a rate per passenger is determined and this is applied to the number of passengers carried. It is expected that bus operators will assert an increase in operating costs that would drive up the cost per passenger, but with patronage only slightly lower than pre-pandemic levels the overall cost is likely to increase. This reversion to the model increases the volatility of this budget area and the bus team will be keeping this under tight review to ensure value for money is achieved.
- 2.26 BSIP funding has now been confirmed and will be added to the budget as final approvals are made through the assurance framework. This will provide funding for both additionality to the network as well as the ongoing funding for the Mayor's Fares initiative which is seeking to make bus travel more affordable and encourage more use of the network. The prospect of future Government support for the bus network more generally ie a continuation of the bus recovery grant, is looking unlikely, and with no confirmation of this at the time of writing it is assumed for budget planning purposes that this will not happen. Should funding be forthcoming a report will be brought back to Members to consider the implications and opportunities this would bring.
- 2.27 Inflation is the key factor impacting other areas of the current year and future years' budgets. Increases in energy costs in particular have doubled costs in the current year with a further 15% increase expected in future years. Costs of materials and labour are affecting the planned works and repairs budgets for bus stations and shelters, with allowance having to be made for a 10% increase both this year and next. Similar increases are being forecast for ICT contract costs.
- 2.28 The pay award finally settled for 2022/23 was in line with that made in local government and at 4% was twice the level the Combined Authority (and local partner authorities) had allowed for in budget planning. An assumption of a further 4% has been built in to the 2023/24 proposed budget.
- 2.29 The triennial pension revaluation is due this year and preliminary figures show a slight decrease in the employer contribution rates for 2023/24 and subsequent years. This is helpful in partially offsetting the increase assumed for salary costs.
- 2.30 Staffing levels have been a cause for concern in the year with a number of savings arising due to delays in filling certain vacancies. Tighter vacancy management arrangements have been put in place to ensure all posts released for recruitment have been scrutinised and confirmed as essential and the vacancy target has been increased from £2.1m to £3 million next year to reflect this.
- 2.31 Recent changes in interest rates have also increased the return on cash balances held but as they are largely related to capital grants unspent it is proposed that this income is used to support the capital programmes that are severely impacted by inflationary increases.

- 2.32 The forecast outturn for 2022/23 shows a net position of a small surplus, with transfers to be made to a capital reserve and the transport reserve as explained above and this is set out in **Appendix 2**. The budget as originally agreed last February has been restated to reflect the current directorate structures and responsibilities and there are a number of in year movements to conclude the position shown in the appendix. These largely relate to expenditure on bus services which has been considered throughout the year, staff vacancies and additional funding and expenditure for projects that have been approved during the year.
- 2.33 The proposed budget for 2023/24 is presented in **Appendix 3**, showing a very small surplus for the year. Alongside this is the indicative position for the next two years, both of which still include a budget gap. While the use of the transport reserve assists in managing the immediate pressures on bus tendered services urgent work is required in the coming year to manage future demand. The financial challenge faced beyond 2023/24 is likely to be significant, given the real terms cut in levy and expected increasing cost of tendered service provision as commercial services are withdrawn. Delivery of the Bus Service Improvement Plan will drive change in the Combined Authority's role in bus service provision, fares and in its customer facing services.
- 2.34 In addition to the work on bus set out above further work will be needed on all areas of the budget to develop a sustainable position for the three year medium term position. This will include a focus on income generation opportunities, to consider if the existing asset base can provide further income and if further schemes similar to the Foresight West Yorkshire SME Investment Fund should be explored. This is expected in time to generate returns of 15%. Opportunities for investment or co-investment also need to be explored to support the delivery of the investment priorities.
- 2.35 The policy towards capitalisation of staffing costs continues in line with previous years. The costs of the Delivery teams within directorates, which are fully engaged in the delivery of capital programmes and projects, are funded from capital either charged directly to the project or through a small topslice of capital funding across the programme. A proportion of the costs of the supporting teams ie corporate and commercial, research and intelligence, policy, strategy and communications are also funded in this way. The model of charging individual posts to specific time limited projects is becoming more difficult to manage as the size and complexity of the programmes being delivered increases and it is intended over the coming year to review and simplify the way in which staff are funded and deployed to enable better longer term workforce planning and budgeting to take place. The review will also consider the opportunity to utilise more capital recharges to reflect the increasing scale of work being undertaken across the organisation in support of the growing capital programme.

Mayor's costs

- 2.36 The current budget includes the costs of a small team to directly support the Mayor. This is included largely unchanged in the coming year's budget, seeking to cover the costs of the Mayor and her immediate team. Ultimately all teams across the whole organisation are supporting the Mayor and the

other members of the Combined Authority, and recent organisational changes have been made to enable more effective support of the priorities of the organisation and ensure a firm focus on outcomes.

Policing

- 2.37 The proposed budget excludes the income and expenditure relating to policing and crime. The setting of the policing budget is a Mayoral function, alongside setting the police precept and a separate process is drawing to a conclusion for these. All direct costs of policing are managed within the separate Police Fund and where services and support are provided from within the wider Combined Authority an appropriate level of recharge has been agreed on.

Capital programme

- 2.38 An indicative three year capital programme and proposed funding is set out in **Appendix 4**. This reflects the recent decisions made on the main transport programmes in response to the pressures of inflation. This saw a number of projects paused to enable a more affordable programme to be delivered in the short to medium term.
- 2.39 The programme is indicative, and sets out the known funded programmes. It is fully expected to be increased by projects that are being developed as pipelines for the investment priorities, with borrowing costs to be funded by gainshare. Updates on changes to the capital programme will be brought to the Finance, Resources and Corporate Committee during the year as well as monitoring reports on the current programmes.
- 2.40 The most significant programme at this stage is the transport interventions funded by the City Region Sustainable Transport Settlement (CRSTS) which has a significant spend profile escalating over the coming three years. The figures included in the appendix reflect the outcome of the recent decisions to revise both the CRSTS and the Transforming Cities Fund projects in the light of the increases in inflation over the past year.
- 2.41 In previous years, considering the flexibility granted from Government, the Combined Authority endorsed the approach whereby at the year end the available funding was applied to appropriate capital schemes in a way to maximise the use of time limited funding and reduce the risk of funding being clawed back or reduced in future years. This enabled certain funding streams to be carried forward to this and subsequent years in order to optimise the delivery of the portfolio of approved projects. It is proposed that a similar approach is taken for 2022/23 and that this be kept under review as part of the year end closedown work. This approach is supported by BEIS for the capital funding they provide, with freedoms and flexibilities previously applied for both the Growth Deal and the Getting Building Fund for example.

Minimum revenue provision policy (MRP)

- 2.42 MRP is the charge to the revenue budget made in respect of paying off the principal sum of the borrowing undertaken to finance the capital programme. MRP, which is largely defined by regulation, is aimed at ensuring that the Combined Authority does not have time expired/fully depreciated assets whilst still holding associated outstanding debt.

- 2.43 For borrowing prior to April 2019 annual MRP is calculated using 4% on debt outstanding. For capital expenditure incurred on or after 1 April 2019 and funded through borrowing, MRP is calculated using the asset life annuity method. Using this method MRP is calculated in a similar way as calculating the capital repayment element of a fixed rate repayment mortgage. In accordance with provisions in the guidance, MRP will be first charged in the year following the date that an asset becomes operational.
- 2.44 The asset life annuity method calculation requires estimated useful lives of assets to be input into the calculations. These life periods will be determined under delegated powers to the Chief Finance Officer, regarding the statutory guidance, and are detailed in the Accounting Policies. However, the Combined Authority reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the asset life annuity method would not be appropriate. Any such cases will be referred to the Combined Authority by the Chief Finance Officer.
- 2.45 Where capital expenditure cannot be related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
- 2.46 Recognising the impact of MRP on the revenue budget is an important element in determining the affordability and sustainability of borrowing to fund an asset. Essentially, if there is no on-going capacity within the revenue budget to afford the MRP then the borrowing should not be taken out in the first place. Therefore, a robust business case demonstrating a rate of return in excess of costs (including MRP) is important and to be considered as schemes progress through the Assurance Framework.

Treasury management

- 2.47 The treasury management function is undertaken in conjunction with Leeds City Council under the terms of a service level agreement. The Combined Authority is required to prepare an annual prudential statement, setting out treasury activity in the year, the arrangements in place and details of the funding position. The statement has been updated from that approved last year to reflect the changes required as a result of changes to the Prudential Code. This was considered and endorsed by the Governance and Audit Committee at its meeting on 13 January 2023 and is set out in full in **Appendix 5**.

Reserves

- 2.48 The Combined Authority, in the same way as other local government organisations has a number of statutory reserves which arise from accounting requirements relating to capital grants and pensions. In addition the Combined Authority holds a general reserve and a small number of specific earmarked reserves which are considered in the paragraphs below.

Reserves policy for general reserve

2.49 Any budget proposal should be supported by an appropriate reserves policy. Good practice is that such a policy should be based on a risk assessment of the different areas of spend and income and as such will vary from year to year and from organisation to organisation. The impact of both the after-effects of the pandemic and the current economic crisis is that risks are increased in terms of size and impact. The workings for this year's reserves policy are set out in **Table 2** below and are based on the approach taken in previous years with an updated assessment of the relative risks currently facing the Combined Authority from the national living costs crisis. In previous years Members have been keen to understand how this compared to any national guidance and accepted that while a strategy of 5% is a prudent starting point, final decisions should reflect the extent of any earmarked reserves and the particular risk around different areas of income and expenditure.

Table 2 General Reserve Policy –

Reserves Policy	Budget 2023-24 £m	Reserves 2023-24 £m
Risk on Concessions	46.18	
5% contingency for volatility of payments and bus operator landscape risks		2.31
Risk on Subsidised Bus services (gross)	26.88	
10% contingency due to inflationary and market conditions due to Covid19		2.69
Risk (general) on other areas of spend		
Passenger & Bus Station Services (net)	9.60	
Trade and Inward Investment	1.39	
Policy, Strategy and Communications	7.13	
Financing (net)	7.19	
Corporate Services	9.98	
	35.28	
Risk of inflation increases/capacity demands etc at 10% (previously 5%)		3.53
Other Risks 2023/24 (Covid19, cost of living crisis, operational matters)		2.00
Risk on income		
Risk arising due to lack of certainty on future funding		1.00
Risk that budgeted income falls short of expectations due to recession		1.50
Total reserves required		13.02

Other reserves

2.50 The West Yorkshire plus Transport Fund (WY+TF) reserve was established to enable effective management of the borrowing costs of the WY+TF and to avoid the need for sudden increases in levy funding. The WY+TF was established as part of the City Deal forerunner to the Mayoral Combined Authority and required a £250 million local contribution to match Government's £750 million. An annual contribution of £5.x million is being made into this reserve each year to smooth the expected spike in borrowing costs that will shortly commence - the current estimates on the capital programme forecast that this reserve starts to be utilised from 2023/24. The capital spend and use of this reserve for borrowing will be kept under annual review.

- 2.51 A specific transport reserve of £2 million was created at the end of the last financial year to support future transport cost pressures following the expected as government funding comes to an end. The current year budget forecast identifies a further £3 million of non-recurring savings on concessionary transport reimbursement costs that it is proposed is transferred in the transport reserve to meet future demand, with this sum then utilised in 2023/24.
- 2.52 The Combined Authority also has a number of capital reserves - usable capital reserves can only be used to fund capital expenditure including capital grants unapplied and capital receipt reserve, and other 'unusable' reserves, required for statutory purposes and which are not available for other purposes, including the pension reserve, capital adjustment account and revaluation reserve. It is proposed that the non recurring interest income surplus identified in 2022/23 and 2023/24 is transferred to the usable capital reserve.

Other Reserves

Usable	£000
Transport Bus Reserve	2,000
West Yorkshire + Transport Fund Reserve	53,102
Capital Grant Unapplied	189,606
Usable Capital Receipt Reserve	27,519
Unusable	
Capital Adjustment Account	32,759
Financial instrument Adjustment Account	(1,215)
Pension Reserve	71,738
Revaluation Reserve	7,886
Donated Asset Account	1,787

Summary

- 2.53 The proposed budget for 2023/24 is recommended for approval. It is not without its challenges and while robust estimates have been included and prudent assumptions have been made close monitoring of income and expenditure will be needed to ensure the budget is achieved. Regular reporting to Finance, Resources and Corporate Committee will continue throughout the year, as well as updates to the West Yorkshire Directors of Finance.
- 2.54 The new directorate structure that seeks to ensure greater focus on outcomes will also support greater accountability for financial decision making and focus on value for money in all activities. The introduction of a new integrated finance system by the start of the financial year will provide much improved reporting capabilities with a fully embedded budgetary management system.
- 2.55 Work will continue early in the new financial year to close the budget gap in future years, with each directorate tasked with reviewing current income and expenditure and identifying costed savings plans and actions to review ahead of the formal budget setting process in the autumn.

3. Tackling the Climate Emergency Implications

- 3.1 Tackling the Climate Emergency is a key organisational objective and details on how the organisation will contribute on an annual basis to our long-term commitment to lead by example in having net zero emissions by 2038 and have a positive impact on environment and nature through our work, investment, and funding, are referenced in the Corporate Plan, Directorate Business Plans and Corporate Performance reports.

4. Inclusive Growth Implications

- 4.1 Enabling Inclusive Growth is a key corporate objective and therefore measures on how the organisation aims to achieve this, are set out in our Corporate Plan, Directorate Business Plans and Corporate Performance reports. One of our key objectives is to deliver our Inclusive Growth Framework in order to reduce inequalities in our communities. Inclusive growth will remain embedded throughout the corporate priorities on which the development of the Corporate KPI's and resulting business planning is based.

5. Equality and Diversity Implications

- 5.1 The Equality and Diversity aims of the organisation are embedded throughout our internal and external corporate objectives and hence our business plan. Each directorate has corporate targets to meet as part of the business plans. These have been defined through the Equality, Diversity and Inclusion Strategy and Action Plan through which we are aiming towards achieving excellence against the Equality Framework for Local Government.

6. Financial Implications

- 6.1 As this is a budget report all financial implications are set out throughout the main body of the report.

7. Legal Implications

- 7.1 The Combined Authority is required by the levying regulations to set the transport levy for 2023/24 by 15 February 2023.

8. Staffing Implications

- 8.1 The budget includes the costs and funding for current approved establishment and the associated employer on-costs.

9. External Consultees

- 9.1 No external consultations have been undertaken in relation to this report.

10. Recommendations

- 10.1 That the Combined Authority approves the outcome led business plans for 2023/24.

- 10.2 That approval be given to the Combined Authority revised outturn budget for 2023/24.
- 10.3 That approval be given to the indicative capital programme and budget for 2021/22 – 2024/25.
- 10.4 That in accordance with the powers contained in the Local Government Finance Act 1988 (as amended) and by virtue of article 9(6) of the West Yorkshire Combined Authority Order and the Transport Levying Bodies Regulations 2015 (as amended) a levy of £103 million be determined for the year ended 31 March 2024.
- 10.5 That the Director, Finance and Commercial Services be authorised to issue the levy letter in respect of the financial year ending 31 March 2023 to the five District Councils in West Yorkshire.
- 10.6 That a payment of £5.09 million be made to the five District Councils in accordance with Table 1 of the report.
- 10.7 That authorisation be given to the Director, Finance and Commercial Services to arrange appropriate funding for all expenditure in 2022/23 and 2023/24 subject to statutory limitation, including the most appropriate application of capital funding as set out in the report.
- 10.8 That approval be given to the continuing of the policy, effective from 2017/18, for recovering the Combined Authority costs of managing the capital programme against the capital programme spend being mainly West Yorkshire plus Transport Fund, Transforming Cities, Getting Building Fund, Brownfield Housing, Local Transport Plan Integrated Transport and any schemes developed in year.
- 10.9 That the adoption of the CIPFA Code of Practice for Treasury Management in Public Services be reaffirmed.
- 10.10 That the treasury management policy as set out in **Appendix 5** be approved.
- 10.11 That the prudential limits for the next three years as set out in **Appendix 5** be adopted.

11 Appendices

Appendix 1 - 2023/24 business plan 'Plans on a Page'.

Appendix 2 – 2022/23 revenue budget forecast outturn

Appendix 3 – 2023/24 proposed revenue budget

Appendix 4 – Indicative capital budget 2022/23– 2025/26.

Appendix 5 – Treasury management statement

CORPORATE PLAN ON A PAGE 2023/4

Corporate Objectives	Empowering our communities, towns, and cities to thrive	Building a sustainable, nature rich and carbon neutral region	Creating an accessible, clean and customer focussed transport system	Supporting community safety and accountable, proactive policing	Championing culture, sport, and creativity	Driving economic growth and innovation to enable good jobs	Enabling a diverse skilled workforce and accessible learning for all
Mayoral Pledges	Build 5000 sustainable homes including council houses and affordable homes.	Tackle the climate emergency and protect our environment.	Bring buses back under public control, introduce simpler fares, contactless ticketing, and greener buses.	Put women & girls at the heart of my policing plan. Recruit 750 more frontline police officers and staff to fight crime.	Lead a Creative New Deal to ensure our creative industries are part of the broader recovery strategy.	Support local businesses and be a champion for our regional economy. Appoint an Inclusivity Champion to work to ensure that the region's recovery benefits us all.	Create 1,000 well paid, skilled jobs for young people. Prioritise skills & training to ensure everyone has the skills to secure work.

EQUALITY, DIVERSITY, AND INCLUSION (EDI)

During 2022/23 an EDI Action Plan was developed and agreed, which outlines targets for the organisation until 2028. This plan includes our Equality Objectives up until 2024:

1. Champion Equality, Diversity, and Inclusion externally and develop an excellent regional and national reputation.
2. Consult and engage with our people, communities, and businesses to understand their diverse needs and ensure our services meet their needs.
- 27 Ensure our workforce reflects the diversity of West Yorkshire.

The Equality Framework for Local Government has four themes which we will monitor our progress against. Each theme has a rating of either Developing, Achieving, or Excellent. We are aiming to be excellent across all four themes and have at least a minimum rating of achieving across all four by 2024.

The four themes are:

1. Understanding and working with your communities
2. Leadership, partnership, and organisational commitment
3. Responsive services and customer care
4. Diverse and engaged workforce

Each Directorate is committed to achieving these targets, and a breakdown for the year 2023/24 is included on the plan on a page for each directorate area.

Each directorate has outlined their outcomes and outputs for 2023/24, headlines can be found on the following plans on a page.

However, there are three key commitments for the organisation for the following year to support the region as follows:

- Responding to the cost-of-living crisis and supporting people and businesses in West Yorkshire.
- Responding to the climate emergency and working to make West Yorkshire a greener, cleaner, safer, and more inclusive region.
- Working to make a better-connected West Yorkshire.

Mayor's office 2023-24 outcomes:

- The Mayor, LEP Chair and Political Leaders will strengthen relationships with local, regional, and national stakeholders.
- The Mayoral Office will support the organisation to meet its ED&I objectives in support of the mayoral ambitions.
- An improved recording and process for Mayoral political decision making to ensure the organisation is clear of the political decisions which have been taken.
- Citizens who contact the mayoral office will receive timely and satisfactory answers to their queries.
- The Mayor, LEP Chair and political leaders will have manageable workloads and feel well prepared for their duties, with public transport for travel prioritised at all times.

ENVIRONMENTAL SUSTAINABILITY

We're working to make West Yorkshire net zero by 2038, making significant progress by 2030.

In 2023/24, a Corporate Environmental Sustainability Plan will be produced which will outline our action plan to reduce our corporate impact on the environment and embed sustainable practices, to help make West Yorkshire a greener and cleaner place to live for our communities.

Directorates have been asked to consider environmental sustainability and embed this within their outcomes and outputs for 2023/24, reflecting both the Combined Authority and the Mayor's commitments to tackling the climate emergency.

THE WEST YORKSHIRE PLAN

Work is ongoing on the development of a West Yorkshire Plan to provide an overarching narrative for the region. This will be published in 2023/24.

The West Yorkshire Plan will provide a new framework to reflect major changes including, the devolution deal and election of the first Mayor of West Yorkshire, ongoing impact of cost of living and doing business crisis, government's priorities for growth and proposals for spending cuts. The primary audience for the plan is government and regional partners. The intention of the Plan is to set targets that are aspirational and represent an ultimate ambition for the region, the plan includes draft targets currently, but these will be updated once the narrative has been agreed. State of the Region reporting will continue to provide the monitoring framework underpinning the West Yorkshire Plan and wider policies and strategies of the Combined Authority.

RISKS

Our principal risks in 2023/24 are likely to continue to be:

1. Cost inflation pressures
2. Recruitment difficulties
3. Public sector fiscal tightening

The Combined Authority's risk appetite will be re-examined during 2023/24 to safeguard delivery of our desired outcomes.

OUR VALUES

Working Together | Positive about Change | Easy to do Business With | Working Intelligently | Championing our Region

RESOURCES

Capital Spend: £321.3m
Revenue: £285.3m

The staff resource required to deliver outcomes is captured on each plan on a page.

OUR DIRECTORATES

A new outcome led directorate structure is in place for 2023/24 across all areas of the organisation.

Chief Operating Officer | Finance and Commercial Services | Inclusive Economy, Skills, and Culture | Transport Policy and Delivery | Transport Operations and Passenger Experience | Mass Transit | Policing, Environment and Place | Strategy, Communications and Intelligence | Mayoral Office

Our framework for success is set out in our annual State of the Region report and monitored through our [dashboard](#)

CHIEF OPERATING OFFICER | DIRECTORATE PLAN ON A PAGE 2023/4

Empowering our communities, towns, and cities to thrive

Building a sustainable, nature rich and carbon neutral region

Creating an accessible, clean and customer focussed transport system

Supporting community safety and accountable, proactive policing

Championing culture, sport and creativity

Driving economic growth and innovation to enable good jobs

Enabling a diverse skilled workforce and accessible learning for all

LEGAL AND GOVERNANCE SERVICES

HUMAN RESOURCES

PORTFOLIO MANAGEMENT AND APPRAISAL

Outcome 1: Provide legal support across all key projects and commercial activity including the longer term aims in respect of West Yorkshire's future transport services such as Bus Franchising, Mass Transit and upgrading of rail network together with programmes and projects including WY Plus Transport fund; CRSTS programme; Delivery of LTP schemes and active travel, Transforming City Fund, Carbon mitigation programme, Flood resilience projects, Housing retrofit & Solar PV programme; Brownfield Housing Fund; British Library North; Housing and employment accelerator fund. Additional resource will be required to support bus franchising and may be needed for other projects.

Outcome 2: Continue to support the management of land and property portfolios owned by the Authority.

- Upon instruction the legal team will carry out 2nd line checks to ensure EQIA/EDI elements have been carried out by the lead officer across the Authority.
- Programmes to be planned through business partnering model with legal and CA colleagues working towards one outcome. Agreeing timelines, one to one and through attendance at Programme and Project Boards.

Outcome 3: Oversee and steer the governance of the Authority and ensure effective, accountable, and transparent decision making and play a key role in shaping the compliance agenda including the Information Management Strategy and EDI, driving up high standards of governance and regulatory/IG compliance.

- Constitution: annual review, updating of documents and publication of Constitution (timescale within 4 weeks of annual meeting). In year changes to Constitution as a result of changes in legislation, to process or organisational changes.
- Compliance with FOI and DSAR statutory timescales (100% within deadlines).
- Compliance with Data Security Incident reporting timescales (100% reviewed within 72 hours).

Outcome 4: Provide advice and support in the further development of governance arrangements in respect of the Mayor's PCC functions, support negotiations and ensure organisational readiness for further devolution and support delivery of the 2024 Mayoral election.

- Advise and assist the mayor on statutory responsibilities in relation to complaints (advice provided within 5 working days of request).
- Support 100% of the National Police Air Service, National and Local Strategic Board meetings.
- Act as Project Lead and deputy Project Lead for 2024 Mayoral election.

Outcome 1: Design and implement an organisation fit for purpose as a Mayoral Combined Authority for the next 3-5 years, through the Organisation Evolution programme of work.

- Work closely with the delivery partner to develop a revised organisational structure fit for purpose for a Mayoral Combined Authority for the next 3-5 years.
- Undertake required engagement and consultation to agree and implement structures as required through the management of change process and make the associated amendments.
- Contribute to other related workstreams and organisation development initiatives.

Outcome 2: Delivery of the HR elements of the EDI objectives and plan.

- Co-ordinate various EDI related action plans and incorporate into the HR workplan.
- Attend EDI working groups, staff network groups, employee engagement groups etc and discuss and action related tasks/issues.
- Complete recruitment to the HR Data and systems officer role, complete the reconfiguration of the organisation establishment and provision of MI and data to support EDI.

Outcome 3: Replace the outdated HR (finance and payroll) system to provide the organisation with a modern way of managing the establishment, workforce planning, production of workforce data and enable efficiencies in processes. Enable better quality reporting of protected characteristics and EDI workforce data.

- Design, configure, test, and build the system.
- Complete the data migration and transfer including the revised organisational structures.
- Revise business processes
- Provide training and support to the organisation for go live.
- Development of other modules post go live including talent and succession and training.
- Implementation of the revised Ts and Cs once agreed and reconfiguration of the system to reflect those.

Outcome 4: Develop an improved Learning and Development offer (including the further development of our apprenticeships strategy and the development and launch of a pilot graduate training scheme).

- Enable the new L&D partner to develop the organisations L&D strategy.
- Establish the process for identification of learning needs in departments.
- Work with the L&D network to progress key projects, i.e., coaching and mentoring
- Understand the organisational requirements for L&D and translate this into the L&D strategy.
- Work closely with EDI officer, staff network groups and HR Advisor, recruitment, and diversity to deliver the L&D aspects of the EDI plan.

Outcome 1: Assurance Framework remains flexible and proportionate; lessons are learned for future and all schemes are evaluated and their impacts are proven without delay.

- 90% of Appraisal specification reports reviewed within 30 working days.
- 90% of PIMS data reflects decision point approvals within 4 weeks.
- 90% of Assurance approvals are within the timescales detailed in the PAT Schedule.

Outcome 2: Embedding the assessment of carbon and wider climate change impacts to ensure promoters take account of sustainability when developing schemes.

- 100% of schemes undertake CIAs and are reported in Project Approvals reports.

Outcome 3: Strengthening of the assessment of equality, diversity and inclusion and inclusive growth to ensure decision makers have the appropriate information to enable them to take these into consideration when making decisions on project approvals.

- 100% of schemes undertake an EqIA.
- 100% of schemes include EDI and IG outcomes in their monitoring and evaluation plans to ensure that evaluation happens at DP7 and we can learn what is being most effective.
- 100% of schemes include a section on EDI and IG in Project Approvals reports.

Finance and Commercial Services and Strategy, Communications and Intelligence will also report to the Chief Operating Officer.

The plans for these directorates can be found on the following pages.

OUTCOMES AND OUTPUTS

28

BUDGET

Capital Budget

£0

Revenue Budget

£14.9m total expenditure

PEOPLE REQUIRED TO ACHIEVE THE OUTCOMES

Legal and Governance: to be determined

Human Resources: to be determined

PMA: to be determined

EQUALITY, DIVERSITY AND INCLUSION

Workforce Targets | Our overall ambition is that our workforce, including our leadership, will be at least representative of the West Yorkshire population for the protected characteristics of disability, ethnicity, gender, and sexual orientation. To be achieved by 2030 (interim targets to be agreed following Census 2021 information and formation of the EDI strategy from 2024). 100% of employees complete their EDI monitoring information on new ICS system (including prefer not to say) – excluding people on maternity leave and long-term sickness – 2024.

Pay Gap Monitoring | By the end of 2023/24 the mean gender pay gap reduced by minimum of 0.5 percentage point. And the mean ethnicity pay gap reduced by minimum of 2 percentage points. Contributing to a zero-pay gap for gender and ethnicity by 2028

KPI's and Management Targets | By the end of 2023/24 100% of recruitment processes will be inclusive. And 100% of all new Role Profiles include EDI requirements and 100% of Strategies, Policies and Plans have EDI embedded.

Learning and Development | By the end of 2023/24 100% employees complete IHasco mandatory EDI and unconscious bias training. Over 75%* of employees complete the optional EDI IHasco units. 100% of SMT complete EqIA training (training to be procured in 2023).

RESOURCES

Empowering our communities, towns and cities to thrive	Building a sustainable, nature rich and carbon neutral region	Creating an accessible, clean and customer focussed transport system	Supporting community safety and accountable, proactive policing	Championing culture, sport and creativity	Driving economic growth and innovation to enable good jobs	Enabling a diverse skilled workforce and accessible learning for all
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INTERNAL AUDIT	COMMERCIAL	FINANCE	ICT SERVICES
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OUTCOMES AND OUTPUTS 29	<p>Outcome 1: Agree and deliver the Audit Plan, therefore an audit opinion will go into the Annual Governance Statement, giving internal and external assurance on controls, risk management and governance. Sufficient EDI work will also be built into the Audit Plan. This will be measured by.</p> <ul style="list-style-type: none"> Progress against KPIs each quarter. Customer feedback against EDI audits to show 80% positive outcome. <p>Outcome 2: Grants certification to ensure funding clawback does not occur, and to give assurance to funders that claims are appropriate and have been audited.</p> <ul style="list-style-type: none"> Progress against KPI to turn around grant certifications within 3 days of presentation of all the relevant documentation and evidence. <p>Outcome 3: A dedicated resource provided to AEB and multiply to provide external confidence to central govt that programme providers are compliant and operating within rules, again reducing the risk of any funding clawback, and supporting programme to meet outcomes.</p> <ul style="list-style-type: none"> All provider audits to consider any relevant EDI requirements. Progress against KPIs will be measured each quarter, which will be a % of delivery against planned audits. <p>Outcome 4: Counter-fraud and Anti Money Laundering (AML) support provided to organisation, to support management of financial risk, provide assurance and allow organisation to deliver against corporate objectives.</p> <ul style="list-style-type: none"> Reviews of both the Counter-fraud and Whistleblowing, and AML policies to be reviewed in Jan 24. Two team members will be trained sufficiently to identify any potential arising EDI issues and escalate as necessary. <p>Outcome 5: Continuation of the provision of advice, whilst also making improvements and developments to data analytics and policies, ensuring better accountability, and more efficiency and effective delivery in meeting corporate objectives.</p> <ul style="list-style-type: none"> Progress against various KPIs will be measured each quarter. Sufficient EDI considerations will be built into reviews. 	<p>Outcome 1: Ensure relevant contracts are in place and are managed effectively to deliver corporate outcomes.</p> <ul style="list-style-type: none"> Programme of strategic contract reviews X%* of gold contracts where contract confidence indicators relating to the management of the contract are good or above. <p>Outcome 2: A centralised procurement service, ensuring maximum return for every pound spent, maximising the social value benefit from the supply chain.</p> <ul style="list-style-type: none"> 97% of procurement projects delivered on time. 5% Procurement savings as a % of addressable spend. Customer satisfaction for all procurement projects is good or above. Social value commitments secure at X%* of addressable spend. <p>Outcome 3: Delivering more social value through the supply chain to benefit the region and support Net Zero ambitions through procurement and contract management activity.</p> <ul style="list-style-type: none"> Carbon Impact considerations to form part of all procurement strategies over £60K. Increase in the number of local suppliers to the CA by x%*. Increase in the number of VSCE's engaged with by x%*. <p>Outcome 4: Protecting the CA's interests by reviewing and developing the commercial approach, thus enabling projects to be delivered, goals achieved and ensuring benefits are realised.</p> <ul style="list-style-type: none"> Delivery of the commercialisation action plan. Increase depth and breadth of commercial skills across the organisation. An enhanced due diligence process. A further developed approach for different investment vehicles. <p>*Percentage figure to be confirmed.</p>	<p>Outcome 1: Further develop the financial strategy and mechanisms to manage and drive effective use of funding across West Yorkshire, building strategic financial capacity in the team and developing the Single Investment Fund to maximise opportunities. This will improve visibility of funding and more informed investment choices. This will also include reporting on how funding is used to support EDI objectives.</p> <p>Outcome 2: Commence review of finance function and progress a business plan for a restructure that enables the team to provide financial leadership, support, challenge, and information. This will ensure progression and development opportunities for the whole team. Key output will be to build finance expertise and resilience with capacity and capability to meet business needs, including a focus on policing.</p> <p>Outcome 3: Continue to deliver a wide range of financial services (business as usual) including paying staff/suppliers; collecting debt; bank/treasury management; budget planning/monitoring and financial policy reviews. This will achieve compliance with statutory, audit and other requirements. Key outputs will include:</p> <ul style="list-style-type: none"> Achievement of KPIs; Approved budgets in February 2024; and Final audited accounts by end-September 2023. <p>Outcome 4: Provision of improved financial and management reporting, drawing out EDI implications, including finance business partnering. This will empower budget managers so they can be held accountable and improve information for decision making. Key outputs will include:</p> <ul style="list-style-type: none"> Regular training for finance users. Enhanced quarterly reporting to Committees. Introduction of an assurance process for budget monitoring. <p>Outcome 5: Align budgeting and business planning processes to reflect the new Directorate structure. This will ensure key outcomes are met across CA.</p> <p>Outcome 6: Consolidate treasury management arrangements under one provider to gain financial and efficiency savings. Key output will be a single SLA for treasury management.</p> <p>Outcome 7: Deliver benefits of new ICS implementation supporting new Directorate structure to enable greater empowerment and accountability for budget managers through enhanced financial reporting.</p>	<p>Outcome 1: Supply and manage a modern, secure and reliable, live and development technology service, ensuring all business-critical services are operational and organisational outcomes can be met.</p> <ul style="list-style-type: none"> Implement critical patches within 1 working day. <p>Outcome 2: Benefit bus passengers and support inclusive growth in the region by developing, maintaining, and supporting a Yorkshire wide Real-time system.</p> <ul style="list-style-type: none"> Produce bus journey predictions for Yorkshire & Humber on web, mobile, on-street, and other media. <p>Outcome 3: Future-proof bus data by delivering new modern systems.</p> <ul style="list-style-type: none"> By March 23 complete procurement of new systems. By Marsh 24 implement new systems. <p>Outcome 4: Improve access to key information and improve the ability to report, query and inform.</p> <ul style="list-style-type: none"> By March 24 new Data Platform becomes available. <p>Outcome 5: Transition services into the Cloud and ensure systems are accessible, resilient and have a high level of uptime.</p> <ul style="list-style-type: none"> Complete migration by 31 August 23. <p>Outcome 6: Protect CA information by having better security processes and operations.</p> <ul style="list-style-type: none"> Complete the implementation of an Information Management strategy by March 2024. Security Operations Centre to be implemented by 30 September 2023 <p>Outcome 7: Develop new systems to deliver better business and economic services.</p> <ul style="list-style-type: none"> Procure a new customer relationship management system for business information, ensure this data is better shared across WY councils. Update corporate technology strategy to identify ways to harness technology to drive efficiency. <p>Outcome 8: Support simpler and quicker working across the CA by identifying and replacing inefficient processes and operations and replacing with digital solutions.</p> <ul style="list-style-type: none"> Complete digitisation of processes by March 2024.
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RESOURCES	<p>BUDGET</p> <p><u>Capital Budget</u> £1.8m</p> <p><u>Revenue Budget</u> £7.5m total expenditure</p>	<p>PEOPLE REQUIRED TO ACHIEVE THE OUTCOMES</p> <p>Internal Audit: 9 FTE</p> <p>Commercial: 20 FTE</p> <p>Finance: 22.2 FTE (Pending completion of outcome 2)</p> <p>ICT Services: 45 FTE</p>	<p>EQUALITY, DIVERSITY AND INCLUSION</p> <p><u>Workforce Targets</u> Our overall ambition is that our workforce, including our leadership, will be at least representative of the West Yorkshire population for the protected characteristics of disability, ethnicity, gender, and sexual orientation. To be achieved by 2030 (interim targets to be agreed following Census 2021 information and formation of the EDI strategy from 2024). 100% of employees complete their EDI monitoring information on new ICS system (including prefer not to say) – excluding people on maternity leave and long-term sickness – 2024.</p> <p><u>Pay Gap Monitoring</u> By the end of 2023/24 the mean gender pay gap reduced by minimum of 0.5 percentage point. And the mean ethnicity pay gap reduced by minimum of 2 percentage points. Contributing to a zero-pay gap for gender and ethnicity by 2028</p> <p><u>KPI's and Management Targets</u> By the end of 2023/24 100% of recruitment processes will be inclusive. And 100% of all new Role Profiles include EDI requirements and 100% of Strategies, Policies and Plans have EDI embedded.</p> <p><u>Learning and Development</u> By the end of 2023/24 100% employees complete IHasco mandatory EDI and unconscious bias training. Over 75%* of employees complete the optional EDI IHasco units. 100% of SMT complete EqIA training (training to be procured in 2023).</p>
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STRATEGY COMMUNICATIONS AND INTELLIGENCE | DIRECTORATE PLAN ON A PAGE 2023/4

Empowering our communities, towns and cities to thrive

Building a sustainable, nature rich and carbon neutral region

Creating an accessible, clean and customer focussed transport system

Supporting community safety and accountable, proactive policing

Championing culture, sport and creativity

Driving economic growth and innovation to enable good jobs

Enabling a diverse skilled workforce and accessible learning for all

STRATEGY AND CORPORATE PERFORMANCE

Outcome 1: Create and embed the West Yorkshire Plan.

- The West Yorkshire Plan will provide an overarching narrative and strategy for the region, including new economic targets, ensuring that all partners agree and promote a shared vision for the region. Published Spring 2023.

Outcome 2: Address Inequalities.

- Support delivery of the organisational EDI vision. The EDI plan is to be embedded by April 2023. Targets embedded in all plans.
- Reported internally and through the statutory Equality Objectives report annually in April. Appointment of Mayor's WY Inclusivity Champion.

Outcome 3: Investment Strategy to deliver better outcomes for the people, business, and communities of West Yorkshire.

- By directing investments to be the best schemes which meet local need - addressing climate, IG, and EDI ambitions.
- WYIS Annual Review to be undertaken annually - April – June 2023 to ensure it remains responsive to changing economic, social, and environmental changes.

Outcome 4: Empower the region.

- Open negotiations with Government about a trailblazer devolution deal by 2024.

Outcome 5: Support People and Communities in West Yorkshire especially with the Cost of Living.

- Deliver outcomes with UK Shared Prosperity Fund, to improve pride in place and increase life chances across West Yorkshire.
- Investing in communities and place, supporting local business, and people & skills. Delivery Mayor's Cost of living fund with VCS partners.

Outcome 6: Increase the quality of employment within West Yorkshire.

- Finalise and launch Mayor's Fair Work Charter by Spring 2023 providing more people access to stable well-paid work.

Outcome 7: Transform the organisation's operating model to be outcome led.

- Through delivery of a comprehensive change programme.

Outcome 8: Ensure that all Directorates have the support in place to achieve goals.

- Continued business partnership with directorates through business planning, Monitoring KPI's, and Risk Management which will support the fulfilment of corporate objectives and improvement for the region.

Outcome 9: Monitoring and evaluation of progress to meet organisational objectives as aligned with Mayoral pledges.

- Regular reporting to Internal Leadership Board and Strategic Leadership Board with provision made to identify and mitigate any emerging risks / issues which could impact on delivery.

Outcome 10: Further Develop the Customer Service function of the CA.

- Review of complaints policy to ensure still fits in with our customer service promise. look at EDI objectives Compliance - working towards full compliance when handling complaints throughout the organisation.

COMMUNICATIONS - NEWS, MEDIA, MARKETING, CAMPAIGNS

Outcome 1: Promote and protect the work and reputations of the Combined Authority and Mayor.

- Provide a world-class, 24/7 press office including an out of hours service to the media. We will target national media and influence decision makers.

Outcome 2: Evolve our web and digital communications.

- Transform our approach to digital and social media through the creation of creative and impactful content to grow our audiences and reach.

Outcome 3: Deliver strategic, effective, and joined-up communications targeting our diverse audiences.

- Introduce a communications strategy, refreshed approach to planning, and greater use of audience segmentation.

Outcome 4: Create greater understanding of the work of the Mayor and Combined Authority.

- Ensure consistency of voice and clarity of message through our West Yorkshire narrative, visual identity, and brands.

Outcome 5: Evolve our approach to inclusive consultation and engagement.

- Refresh approach to targeting at community level and through digital engagement including through our 'Tell Tracy' events programme.

Outcome 6: Encourage behavioural change by increasing bus patronage, walking and wheeling.

- Deliver a cross-cutting approach to travel and transport communications and campaigns by focusing on the person.

Outcome 7: Support delivery of major transport reform programmes.

- Promote the region's ambitions on mass transit and bus reform, by ensuring thorough consultation, engagement, and support from the public and stakeholders.

Outcome 8: Promote our employment, skills and business support services and West Yorkshire as a great place to invest.

- Deliver a cross-cutting programme of events and marketing campaigns to deliver good jobs to the region.

Outcome 9: Promote actions on climate, culture, and place.

- Deliver communications and campaigns to drive behaviour change and awareness of West Yorkshire as a great place to live.

Outcome 10: Build the Combined Authority's resilience to crisis and major events.

- Develop a crisis communications plan that can be deployed in the case of major incidents in the region.

Outcome 11: Support the organisation's ambition to be an exemplary and inclusive employer.

- Delivering our refreshed colleague comms and engagement strategy.

RESEARCH AND INTELLIGENCE

Outcome 1: Full approval of the outline business case from government for the mass transit program.

- Ensure that the program of transport modelling work required to deliver the SOBC and OBC's for Mass Transit and Bus Reform are fit for purpose and are supported by DfT and HMT.

Outcome 2: Establish the CA as a leader of economic analysis and commentary locally and nationally.

- Fully develop and implement the newly established Team West Yorkshire Research Group and develop a shared program of research activity with the 5 West Yorkshire local authorities.

Outcome 3: Deliver evaluations.

- Commission an independent evaluation of Growth Deal Transport Fund and Gainshare - reporting to DHLUC. Lead the roll out of the fully approved CRSTS M&E plan integrating existing TCF M&E activity whilst ensuring commissioning support provided to internal and external project managers. Develop a What Works programme to help share learning with regional policy makers.

Outcome 4: Enhance and develop the tools and evidence we use to assess how our projects support the 2038 climate ambition.

- Improve and enhance the CA's carbon impact toolkit and widen its scope. Implement regular monitoring and reporting of West Yorkshires carbon budget progress to CEEC and CA. Lead the commissioning and management of updated CERP scenarios and reporting of progress.

Outcome 5: Support the organisation's wider policy objectives and corporate plan priorities.

- Develop and enhance the Combined Authority's analytical capability to support monitoring of progress towards KPI's, West Yorkshire Investment Strategy objectives and West Yorkshire Plan priorities.

Outcome 6: Improve and develop how we share our intelligence with local and national partners.

- Roll out off a suite of self-service intelligence tools including updated Mapping Hub and through the LA Chief Data officers group.

Outcome 7: Improve the CA's management and use of big data sets.

- Deliver key MCA Digital programs including the Data Platform and Location Intelligence projects.

Outcome 8: Better understand the needs of West Yorkshire households and businesses and to provide timely intelligence on their needs.

- Working with the consultation and engagement team develop, procure, and implement a series of survey research panels.

Outcome 9: Consistently provide high quality insight to the CA, LEP Board and committees.

- Through dedicated briefing content and on demand dashboards to inform decision-makers. Publish, maintain and develop the State of the Region: publish, communicate and promote the State of the Region Report 2023 building on the report in 2022.

OUTCOMES AND OUTPUTS

30

BUDGET

Capital Budget

£0

Revenue Budget

£23.3m total expenditure

PEOPLE REQUIRED TO DELIVER OUTCOMES

Research and Intelligence – Minimum of 29 FTE required with additional temporary resource needed to mitigate risks to Mass Transit business case modelling with 3 additional specialist consultancy roles in recruitment.

Strategy and Corporate Performance – Minimum 15-20 FTE required, dependent on future design of Corporate Centre (e.g., strategic finance), and support required for inclusivity champion.

News and Media – 16 FTE required.

Marketing and Campaigns (includes corporate communications, active travel, and design) - 42 FTE (recruitment required)

Consultation and Engagement – 25 FTE (recruitment required)

EQUALITY DIVERSITY AND INCLUSION

Workforce Targets | Our overall ambition is that our workforce, including our leadership, will be at least representative of the West Yorkshire population for the protected characteristics of disability, ethnicity, gender, and sexual orientation. To be achieved by 2030 (interim targets to be agreed following Census 2021 information and formation of the EDI strategy from 2024). 100% of employees complete their EDI monitoring information by June 2023 on new ICS system (including prefer not to say) – excluding people on maternity leave and long-term sickness – 2024.

Pay Gap Monitoring | By the end of 2023/24 the mean gender pay gap reduced by a minimum of 0.5 percentage point. And the mean ethnicity pay gap reduced by minimum of 2 percentage points. Contributing to a zero pay gap for gender and ethnicity by 2028. The ICS system will produce a more accurate picture of directorates and we will calculate this using the EDI monitoring finalised in June.

KPI's and Management Targets | By the end of 2023/24 100% of recruitment processes will be inclusive. And 100% of all new Role Profiles include EDI requirements and 100% of Strategies, Policies and Plans have EDI embedded.

Learning and Development | By the end of 2023/24 100% employees complete IHasco mandatory EDI and unconscious bias training. Over 75% of employees complete the optional EDI IHasco units. 100% of SMT complete EqIA training (training to be procured in 2023).

RESOURCES

POLICING, ENVIRONMENT AND PLACE | DIRECTORATE PLAN ON A PAGE 2023/4

Empowering Our Communities, Towns & Cities to Thrive

Championing Culture, Sport & Creativity

Building A Sustainable Nature Rich & Carbon Neutral Region

Driving Economic Growth & Innovation to Enable Good Jobs

Supporting Community Safety & Accountable, Proactive Policing

ECONOMIC IMPLEMENTATION

Outcome 1: Increase affordable and sustainable housing supply.

- In the region through brownfield land being brought back into productive use by enabling 1000 new homes on brownfield land through the Brownfield Housing Fund programme.

Outcome 2: Progress feasibility and design work to enable provision of a new British Library presence in Leeds.

- By March 2024 - To reach British Library commitment to an Agreement for Lease to a site in Leeds for development of a British Library North and agree a programme of first phase intervention works.

Outcome 3: Reduce fuel poverty in social housing.

- By delivering warm, energy-efficient homes and reducing carbon emissions and fuel bills through the Social Housing Decarbonisation Fund and Retrofit Booster programmes with the aim of c. 1600 homes retrofitted. This is part of the Better Homes Hub.

Outcome 4: Increase solar power generation capacity for future years.

- Through support for residents, schools, and public sector organisations to integrate solar and battery storage into their refurbishment & maintenance plans, thereby contributing to future carbon and energy cost savings.
- Secure 3 project business case approvals by 31 December 2023 & commence the delivery of all projects within the programme by 31 March 2024 (Solar for Schools, Residential Collective Buying Scheme, West Yorkshire Housing Partnership).

Outcome 5: Improve flood resilience.

- Of homes, businesses, and communities through commencement of 9 natural flood management schemes & implementation of a catchment level approach to flood risk management, whilst also delivering carbon sequestration and biodiversity benefits.

Outcome 6: Closedown legacy programmes.

- Getting Building Fund & Superfast West Yorkshire & York Broadband.

Outcome 7: Pipeline development.

- Work alongside Place & Environment Policy to build robust pipelines of future capital infrastructure activity that drives inclusive and sustainable growth in West Yorkshire through aligned investment.

PLACE AND ENVIRONMENT POLICY

Outcome 1: Increase the resilience of communities. With a focus on ensuring that interventions support our most excluded and deprived groups and communities.

- Develop retrofit projects, an advice service and put in place a procurement framework to accelerate regional activity on retrofit as part of the Better Homes Hub.
- Build an investment ready Capital Infrastructure Flood Programme and an investment ready Natural Flood Management Programme and maintain live future pipelines.
- Develop a delivery-ready scalable grant scheme 'Better Neighbourhoods' to support communities to implement and delivery community scale projects that tackle the climate emergency.

Outcome 2: Accelerate and improve the quality of infrastructure. Driving investment to locations and communities most in need.

- Develop a collective purchasing offer for Solar PV to West Yorkshire residents.
- Produce a Hydrogen Use Case Assessment for West Yorkshire setting out the role Hydrogen can play in our net zero transition. To inform targeting of investment and policy support.
- Maximise delivery of Project Gigabit and establish an investment ready Flexible Gigabit Grant Programme. Beneficiaries will be homes and businesses in hard to reach or rural areas experiencing market failure.
- Provide design quality advice on transport schemes through the Quality Panel
- Drive delivery of the Mayors Housing Pledge to deliver 5000 affordable, sustainable homes including through a new West Yorkshire Housing Strategy including Dementia-ready Strategy.
- Produce an investment-ready proposal to pilot Safer Parks interventions.
- Create a Net Zero prospectus to support activity to leverage investment in zero carbon projects (May 2023).

Outcome 3: Drive inclusive and sustainable growth. Through investment aligned to development land and property with a focus on providing good jobs and affordable homes and reducing national economic disparities.

- Implement the Strategic Place Partnership and Business Plan with Homes England.
- Provide recommendations on delivery models for up to 5 of our regions Spatial Priority Areas.
- Housing Accelerator Fund providing revenue support to Local Authority Partners
- Employment Accelerator Fund providing revenue support to Local Authority Partners to unlock sites and secure high-quality jobs.

POLICING, CRIME, AND VRU

Outcome 1: Implement the Mayors Police and Crime Plan.

- Including the new safety of women and girls' strategy, holding the Chief Constable to account - particularly to recruit 750 more frontline police officers, and handling complaints against the police in a timely manner as reporting through the IOPC.
- Use the plan to measure performance of the Police and partners by May 2024. The commitment to EDI is a cross-cutting theme in the Police and Crime Plan and is measured and reported on as part of regular performance scrutiny of the Police. Reports are made quarterly at the Mayor's Performance Scrutiny Meeting and twice a year at the Mayor's Joint Executive Group / Monthly Governance Meeting. Targets include neighbourhood crime below 2019 levels and answering 999 calls in 10 seconds.

Outcome 2: Increase community safety and support victims and witnesses.

- Commissioned, co-commissioned or otherwise supported against the priorities in the Police and Crime Plan by May 2024. Commission evidence-based services for victims which represent value for money, focussed on outcomes, and hold providers to account. Wide-ranging grant programme is managed to support partner and third sector provision of services for victims, witnesses, and perpetrators and to support improved community safety and reduce crime and disorder.

Outcome 3: Ensure joined up local priorities and discharge the mayor's duty to work with partners.

- Work with community safety and criminal justice partners. By May 2024. Ongoing work through various partnership board and through quarterly meetings of the Partnership Executive Group. Develop and support the Mayor's Partnership Executive Group (PEG) to facilitate delivery oversight of the Mayor's Police and Crime Plan. Support the Deputy Mayor for Policing and Crime (DMPC) to chair and co-ordinate local partnership boards.

Outcome 4: Through the Violence Reduction Unit, identify, understand, and respond to tackling serious violence.

- Ensure delivery of Home Office VRU key aims to support a reduction of serious violence with an early intervention, integration with public health and community involvement such as with schools to reduce hospital admissions for assaults with a knife, knife-enabled serious violence and a reduction in all non-domestic homicides involving knives – especially among those victims aged under 25. Produce the VRU Response Strategy and ensure community voice is representative across VRU activity.

OUTCOMES AND OUTPUTS

31

BUDGET

Capital Budget

£29.7m

Revenue Budget

£9m total expenditure (includes VRU budget not currently accounted for in corporate totals)

*Policing and Crime activities funded through the Police Fund

PEOPLE REQUIRED TO DELIVER OUTCOMES

Economic Implementation – 26 FTE – funded through Government grant / Gainshare programmes. More capacity will be required if additional programmes are added to the business plan or scope of existing programmes changes

Place & Environment Policy – 25FTE required – in addition to listed outcomes capacity allows for core activity including maintenance of evidence, policy development, pipeline building, leverage of funding, influencing government and key stakeholders and briefings and correspondence. Consultancy support being procured.

Policing, Crime and VRU - Activity is resourced through the Police and Crime Team establishment, currently **30 FTE**. VRU staff funded by serious violence budget. 6mth consultant in post.

EQUALITY DIVERSITY AND INCLUSION

Workforce Targets | Our overall ambition is that our workforce, including our leadership, will be at least representative of the West Yorkshire population for the protected characteristics of disability, ethnicity, gender, and sexual orientation. To be achieved by 2030 (interim targets to be agreed following Census 2021 information and formation of the EDI strategy from 2024). 100% of employees complete their EDI monitoring information on new ICS system (including prefer not to say) – excluding people on maternity leave and long-term sickness – 2024.

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KPI's and Management Targets | By the end of 2023/24 100% of recruitment processes will be inclusive. And 100% of all new Role Profiles include EDI requirements and 100% of Strategies, Policies and Plans have EDI embedded.

Learning and Development | By the end of 2023/24 100% employees complete IHasco mandatory EDI and unconscious bias training. Over 75% of employees complete the optional EDI IHasco units. 100% of SMT complete EqlA training (training to be procured in 2023).

RESOURCES

Creating An Accessible, Clean & Customer Focused Transport System

Building A Sustainable Nature Rich & Carbon Neutral Region

Supporting Community Safety & Accountable, Proactive Policing

Driving Economic Growth & Innovation to Enable Good Jobs

PASSENGER EXPERIENCE

Outcome 1: Maintain and improve access to education, employment, training and to help connect communities.

- Enable increased bus usage and improved accessibility for lower income groups building on the Mayors Fares launched in 2022. Supporting the target to increase bus use by 15% over pre pandemic rate. Develop a plan for the ongoing provision of Mayor's Fares and related initiatives to provide affordable bus fares.

Outcome 2: Delivery of comprehensive and inclusive services and make our front-line services more inclusive.

- Enhance customer focus throughout front line services. Establish a Customer Service Action plan in April 2023 - completion of project / scheme EqIA. Obtain insight into how people with protected characteristics access frontline services. Deliver action plan Q2-Q4.
- Ensure the accuracy of the real time passenger information system reducing the incidence of "Ghost Buses".

Outcome 3: Increase revenue through MCard sales.

- Adapt the MCard smart ticketing to respond to post pandemic travel habits. Increase business-to- business sales through Travel Plan Network and other corporate sales channels. Increase sales of flexible products in response to changes in commuting behaviour. Establish mobility credits within business-to-business sales.

Outcome 4: Enhance customer experience by providing a range of functions in a one-stop shop travel app.

- Increased use of the M Card Mobile app as the primary means of multi modal ticket purchase and journey planning. Integrate a journey planner into MCard mobile app, enhance the user interface, ensure high levels of awareness of the app, and ensure it fully meets accessibility standards.

Outcome 5: Ensure that bus fares and ticketing are simple and easy to understand and that customers automatically pay the best value price.

- Support the target to increase bus use by 15% by enabling a multi operator "tap and cap" payment system across all bus services in West Yorkshire. 100% of bus services include tap and cap system by end of Q4 (dependent on bus ops and alignment with national developments).

Outcome 6: Enhance the Passenger Experience for All Transport users.

- Establish a Customer Charter for bus users by Q2 in order make a clear offer to customers. Ensure consistency and transparency are at the heart of service delivery.
- Work with rail and other transport providers to ensure an integrated, consistent consistency of approach to the passenger experience.

FACILITIES AND ASSETS

Outcome 1: Reduce Carbon and Energy Emissions.

- 10% reduction in carbon energy emissions from land and property through installation of solar panels at seven bus stations across West Yorkshire.

Outcome 2: Increase the Safety and Customer Experience for Public Transport Users in Halifax.

- Delivery of a brand-new bus station in Halifax in summer 2023 which will raise the bar in customer experience and safety for public transport users.

Outcome 3: Continue Improvements Both in Bus Stations and On Street.

- Implementation of City Region Sustainable Transport Settlement (CRSTS) funding including delivery of a Safety, Accessibility and Environmental programme with the installation of help points, CCTV, and wayfinding.

Outcome 4: Support the Regeneration of Dewsbury.

- The delivery of Dewsbury Bus Station project will create a modern customer focused facility for people in Dewsbury. Work starts Autumn 2023 with completion anticipated in early 2025.

Outcome 5: Increase and enhance the public transport network as a safe public space.

- Roll out Stations of Sanctuary to Leeds and Huddersfield which will provide facilities where asylum seekers and new arrivals to West Yorkshire can go for safety and signposting to supporting organisations. Obtain accreditation from Cities of Sanctuary by September 2023.

Outcome 6: Reduce the revenue pressures on the organisation brought through global events.

- Increase commercial income in 23/24 from land and property by 10% on 2022/2023 post Covid revenues. Review of town centre vibrancy including shopping and commuting habits post covid. Review of on street advertising provision.

Outcome 7: Make bus travel safer in West Yorkshire.

- Provide more Police presence in bus stations and on buses. Develop an enhanced safer travel scheme under a service level agreement with WY Police. Safer Travel Plan /SLA with WYP completed end of Q1. Recruit PCSOs by end of Q2. Implement from Q3
- Align safety initiatives on buses with other initiatives to support Safety of Women and Girls and are co-ordinated with similar schemes on the railway.

MOBILITY SERVICES

Outcome 1: Delivery of tranche 1 of the Bus Network Development Plan.

- A plan for all new BSIP funded services to be developed by Q1. First tranche of new BSIP services to be introduced in Summer 2023. Second tranche of services to be introduced in early 2024.

Outcome 2: Review current supported bus service provision and improve business processes.

- The CA currently funds 15% of the bus network through contracts with bus operators who provide socially necessary services. Review and re procure this provision to ensure it supports the Network Development Plan, affords best value and is deliverable within budget.
- Modernise and upgrade the business processes which support this provision.

Outcome 3: Ensure the AccessBus service meets customer needs and delivers value for money.

- Review the purpose and operating model for AccessBus ahead of key decisions regarding fleet renewal. Review by end Q1 2023/24 to enable re procurement. Political direction will be needed for any change to this established service area as it supports vulnerable adults.

Outcome 4: Review and adapt Demand Responsive Transport Services.

- Review performance of the FlexiBus East Leeds service beyond the current pilot period ending September 2024 and use the learnings from the pilot to inform any future Demand Responsive Transport services

Outcome 5: Ensure future affordability for Home to School transport.

- Undertake, with District Council, partners, a review of home-school transport based on need, affordability, and a cost share model.

OUTCOMES AND OUTPUTS

32

BUDGET

Capital Budget

£0

Revenue Budget

£124.2m total expenditure

PEOPLE REQUIRED TO DELIVER OUTCOMES

Passenger Experience – 4 FTE in management posts to lead on business plan initiatives, **99 FTE** engaged in direct service delivery roles which support the outcomes.

Facilities and Assets – 4FTE in management roles to lead on business plan initiatives, **61 FTE** engaged in direct service delivery roles which support the outcomes.

Mobility Services – 4 FTE in management roles to lead on business plan initiatives, **42 FTE** engaged in direct service delivery roles which support the outcomes.

BSIP/ CRSTS – in addition to the above, it is intended to supplement the teams with c 6 additional FTE to support specific outcomes of the Bus Service Improvement Plan

EQUALITY DIVERSITY AND INCLUSION

Workforce Targets | Our overall ambition is that our workforce, including our leadership, will be at least representative of the West Yorkshire population for the protected characteristics of disability, ethnicity, gender, and sexual orientation. To be achieved by 2030 (interim targets to be agreed following Census 2021 information and formation of the EDI strategy from 2024). 100% of employees complete their EDI monitoring information on new ICS system (including prefer not to say) – excluding people on maternity leave and long-term sickness – 2024.

Pay Gap Monitoring | By the end of 2023/24 the mean gender pay gap reduced by a minimum of 0.5 percentage point. And the mean ethnicity pay gap reduced by minimum of 2 percentage points. Contributing to a zero pay gap for gender and ethnicity by 2028.

KPI's and Management Targets | By the end of 2023/24 100% of recruitment processes will be inclusive. And 100% of all new Role Profiles include EDI requirements and 100% of Strategies, Policies and Plans have EDI embedded.

Learning and Development | By the end of 2023/24 100% employees complete IHasco mandatory EDI and unconscious bias training. Over 75% of employees complete the optional EDI IHasco units. 100% of SMT complete EqIA training (training to be procured in 2023).

RESOURCES

Championing culture, sport and creativity

Enabling a diverse, skilled workforce and accessible learning for all

Building a sustainable, nature rich and carbon neutral region

Driving economic growth and innovation to enable good jobs

BUSINESS, SKILLS AND CULTURE POLICY

Outcome 1: Ensure that the Combined Authority and region has maximum impact on the development of policy and strategy at a local, regional, and national level.

- Provision of quality, robust and evidence-based policy support.
- Provide leadership through influencing national policy through strong partnerships and relationships
- All work will be underpinned by EDI principles to ensure that EDI is embedded across business, innovation, skills and culture agenda.
- Develop a robust pipeline of future programmes and interventions.
- Support the Combined Authority and partners to shape and influence local and national provision.

Outcome 2: Business and Innovation policy: Drive economic growth and innovation to create good jobs.

- Implement actions in the Innovation Framework, Healthtech Strategy and Productivity Plan. for co-developing a new Action Plan with Innovate UK, seeking to exploit national opportunities (eg launchpads and Investment Zones).
- Develop new Economic Strategy and Digital Blueprint for the region.

Outcome 3: Culture policy: Supporting the Culture, Heritage and Sport sectors in West Yorkshire by using the CHS Framework as a rubric for investment, collaboration and brokering, specifically;

- Investing in activities that widen participation in culture, heritage, and sport across the region including Leeds 2023, Kirklees Year of Music, Bradford 2025, Wakefield 2024 and Culturedale.
- Implementing a package of skills training and business support for the creative industries, culture, heritage, and sports sectors, ensuring a diverse and resilient workforce (including freelancers and micro businesses).
- Implementing a region-wide intervention to support creative health provision working with the NHS.

Outcome 4: Skills and Employment policy: Provide leadership of the regional employment and skills landscape through devolution and influence national approach. This will be achieved by:

- Investing in activities that achieve Digital Skills Plan priorities and actions.
- Work with the Green Jobs Taskforce, implementing its recommendations.
- Work with emerging Local Skills Improvement Plan to ensure alignment with regional strategies and intelligence.

BUSINESS SUPPORT

Outcome 1: Our SMEs can access the support they need, when they need it, from an inclusive, visible, and trusted service. We will achieve this by:

- Supporting 3000 businesses in the region, 35% female decision-makers, 25% BAME, 10% with a self-certified disability and 30% most deprived with more stretching targets for new business and entrepreneurship programmes.
- Delivering 8 outreach events, 6 in the 20% most deprived areas.
- Putting in place a new CRM system and website to increase reach and accessibility.

Outcome 2: The service engages effectively with start-ups and SMEs led by people from a diverse range of backgrounds that reflect the region's communities and sectors. We will achieve this by:

- Supporting 500 start-up & early-stage firms, 55% female-led, 35% BAME led, 10% led by people with disabilities.
- Delivering 4 pilot projects focussed on inclusive growth and diversity.

Outcome 3: Our SMEs are supported to make impactful contributions to the climate emergency, whilst reducing their running costs and improving their Net Zero credentials:

- Supporting 125 SMEs with advice &/or funding to improve resource efficiency.
- Supporting 50 SMEs to embed sustainable travel into their operations.
- Making 300tonnes of CO2 emissions savings.
- Generating 300k KWh of renewable energy.

Outcome 4: Our SMEs are supported to grow and become more resilient through access to bespoke, intensive support focussed on boosting innovation and productivity. We will achieve this by:

- Supporting 100 SMEs to improve productivity.
- Supporting 100 SMEs to develop new products & processes.
- Creating &/or upskilling 175 jobs.
- Delivering the Mayor's Innovation Prize and the third WY Innovation Festival.

TRADE AND INVESTMENT | COMMERCIAL DEVELOPMENT AND INVESTMENT

Outcome 1: High value inward investment and new, sustainable jobs are attracted to the region:

- Generate 100 new investment enquiries from potential investors to secure 25-35 investment project wins, with 15 - 20 coming from Inward Investment activity and 10 -15 from Key A/c Management (KAM).
- Creating and safeguarding 1750 jobs for people living in the region.
- Ensuring that there is a plan for Local Enterprise Zones and Commercial Products are developed through the Commercial Development and Investment Team.
- Raising the profile of our region internationally and attracting investment through delivery of a range of trade and investment activity focused on key markets and sectors including Arab Health, India, the US, and UK Real Estate Investment and Infrastructure Forum (UKREiIF).

Outcome 2: Growth is maximised and economic shocks are mitigated through the development of strong relationships with West Yorkshire businesses:

- Ongoing account management of c.70 - 115 regional foreign owned companies in partnership with Department of Trade in order to retain, promote and support large international businesses in the region.
- Securing 10 - 15 projects to support our existing regional large businesses to expand or remain in our region.

Outcome 3: Increased R&D collaborations between WY universities and innovative global businesses:

- Facilitating 10 R&D partnerships between large businesses and West Yorkshire universities that will ensure that they can grow their productivity, innovate, and thrive.

Outcome 4: WY businesses better understand the new trading arrangements with other countries:

- Deliver 15 high potential international collaborations and trade initiatives, with at least two of the initiatives supporting businesses traditionally excluded from export activity.

Outcome 5: More WY businesses are selling their products overseas and are introduced to live export opportunities:

- Assisting 350 businesses by delivering overseas trade initiatives.
- Generate 1000 hits per month on the International Trade Portal to increase reach, publishing 6-8 items of new and original content each month.

Outcome 6: WY has a faster-growing, more inclusive creative, cultural, heritage and sports sector. This will be achieved by:

We will continue to deliver our Creative Catalyst programme that will:

- Support skills in the region by mentoring 20 people who are identified as future talent for the sector.
- Continue our Mayor's Screen Diversity programme with retained EDI targets.
- Deliver a creative industries growth accelerator and export programme to support 30 businesses to grow and export, supporting relevant businesses to connect with international markets. The programme will include central services support (Legal & Professional Services)
- Promote a bursary scheme to support Creative Industry events aimed at disadvantaged communities.

EMPLOYMENT AND SKILLS

Outcome 1: Supporting employers to address skills shortages and create a talent pipeline including by:

- Completing 103 education and skills collaborations/projects.
- Supporting 198 businesses to engage with employment and skills programmes.
- Developing and implementing the actions to achieve targets identified in the Digital Skills Plan and from the Mayor's Green Jobs Taskforce, including a delivery plan for the creation of 1000 green jobs and skills transition from Net Zero.

Outcome 2: Supporting people from all backgrounds to understand career opportunities in West Yorkshire and how to access them. We will achieve this by:

- Supporting 184 schools and colleges, particularly those in the most disadvantaged postcodes, to improve the quality of careers advice.
- Targeted interventions to support the careers destinations of young people with special educational needs and disabilities and those from diverse backgrounds.
- Reach of 2.5m through all-age careers platform and campaigns.

Outcome 3: Support for 61,900 adults to upskill, retrain or access employment/self-employment:

- Access to basic skills and qualifications that people need for work.
- Targeted and intensive employment support, delivered through LA partners.
- Targeting support at the most disadvantaged and marginalised groups and addressing evidenced labour and skills shortages.
- Re-training and upskilling in acute skills shortage and high growth areas.

OUTCOMES AND OUTPUTS

33

BUDGET

Capital Budget

£3.1m

Revenue Budget

£102.6m expenditure

PEOPLE REQUIRED TO DELIVER THE OUTCOMES

Business, Skills and Culture Policy: staffing around 17 FTE

Employment and Skills: staffing around 65FTE

Business Support: staffing amount 43.5 FTEs, plus 2 FTEs in Comms

Trade and Investment: 21 FTEs

Commercial and Investment: 1 FTE

EQUALITY DIVERSITY AND INCLUSION

Workforce Targets | Our overall ambition is that our workforce, including our leadership, will be at least representative of the West Yorkshire population for the protected characteristics of disability, ethnicity, gender, and sexual orientation. To be achieved by 2030 (interim targets to be agreed following Census 2021 information and formation of the EDI strategy from 2024). 100% of employees complete their EDI monitoring information on new ICS system (including prefer not to say) – excluding people on maternity leave and long-term sickness - 2024.

Pay Gap Monitoring | By the end of 2023/24 the mean gender pay gap reduced by minimum of 0.5 percentage point. And the mean ethnicity pay gap reduced by minimum of 2 percentage points. Contributing to a zero-pay gap for gender and ethnicity by 2028

KPI's and Management Targets | By the end of 2023/24 100% of recruitment processes will be inclusive. And 100% of all new Role Profiles include EDI requirements and 100% of Strategies, Policies and Plans have EDI embedded.

Learning and Development | By the end of 2023/24 100%* employees complete IHasco mandatory EDI and unconscious bias training. Over 75%* of employees complete the optional EDI IHasco units. 100% of SMT complete EqIA training (training to be procured in 2023).

RESOURCES

Creating an accessible, clean and customer focussed transport system

Empowering our communities, towns and cities to thrive

Building a sustainable, nature rich and carbon neutral region

Driving economic growth and innovation to enable good jobs

Transport Policy

Outcome 1: Develop the Mayor's Local Transport Plan focussed on core transport priorities for West Yorkshire, focussing on connectivity, low carbon, and inclusivity.

- A Strategic case, Vision and Objectives to go for public consultation, including policies and strategies set out in the areas business plan, and the statutory requirements for a Sustainability Appraisal, Strategic Environmental Assessment.
- LTP presented for adoption by March 24 (subject to confirmation by DfT).

Outcome 2: Transport scheme pipeline for implementation – development of a programme of future transport schemes that will support decarbonisation, accessibility, inclusivity, improved quality of life. Increased capacity and capability to enable delivery of future schemes within the Combined Authority and through the partner District Authorities.

- Longlist of future schemes prioritised and presented as an implementation plan to support delivery of the Local Transport Plan by March 2024 (subject to confirmation by DfT).

Outcome 3: Regional and National rail connectivity -continue to make the case for enhanced rail connectivity by maximising the opportunity presented by TransPennine Route Upgrade and continuing to work with regional and national stakeholder to make the case for Northern Powerhouse Rail in full and HS2.

- Advocate for short term improvements to the rail network to enable delivery of greater capacity at Leeds station including platform 14 and 17 extension at Leeds station.
- Support electrification from Leeds to Bradford
- Support delivery of Transpennine Route Upgrade
- Advocate for key short term rail priorities for West Yorkshire and support their delivery.

Bus Reform

Outcome 1: Further delivery of the Bus Service Improvement Plan through the Enhanced Partnership including a 5-year network plan to improve connectivity by bus across West Yorkshire.

- To establish a customer charter for travel by bus across West Yorkshire and introduction of contactless fare capping.
- Continuation of the delivery of Mayor's fares. Outcomes: increased bus patronage, improved customer satisfaction.

Outcome 2: Deliver an assessment for bus reform.

- Complete the assessment for bus reform and deliver an audit of the assessment in with legislation.
- Undertake statutory consultation on the outcome of the assessment and move towards mobilisation for the next stages.
- Develop the governance model and programme approach to enable a decision to be taken by the Mayor in March 2024. Outcomes: assessment of options for delivering bus in West Yorkshire.

Transport Implementation

Outcome 1: Develop and deliver projects which provide real alternatives to car journeys, to promote more sustainable transport options and reduce carbon emissions.

Number of projects at:

- Outline Business Case 2
- Full Business Case 7
- Start on site 6
- Complete 10

Projects which will be starting on site are (*not limited to*):

- Moorthorpe rail park and ride (Wakefield)
- Holmfirth (Kirklees)
- A629 phase 2 (Halifax Town Centre, Calderdale)
- City Square phase 2 (Leeds)

Projects completing on site (*not limited to*):

- A62 Smart Corridor (Kirklees)
- Fink Hill (Leeds)
- Newton Bar (Wakefield)
- CIP A58 – A672 Corridor (Calderdale)
- White Rose Rail Station (Leeds)
- Halifax Bus Station (Calderdale)

Annual targets for this portfolio are reported to BEIS and DfT. For LTP schemes

- 4 Active Travel Neighbourhoods delivered.
- ATF3 A660 (Leeds) – 4.82km of new on-road cycleway; 0.5km of bus priority corridor and 9 upgrades to existing facilities.

Outcome 2: Ensure we are fully supporting our diverse communities in West Yorkshire by developing projects (which enhance carbon reduction benefits) based on inclusive decision making.

- 100% of team to undertake carbon literacy and EDI training.

Outcome 3: Greater benefits to the region through carbon, EDI, inclusive growth and social value initiatives, through better engagement leading to clearer definition of projects, cost and design.

- 4 ECI engagements to be completed on schemes.

Outcome 4: Producing better quality and more timely submission of business cases through the assurance framework.

- 10 business cases through various decision points.
- 100% EqlAs completed – support from service area to district partners.

Transforming Cities Fund

Outcome 1: Develop and deliver projects that provide real alternatives to car journeys, to promote more sustainable transport options and reduce carbon emissions.

- A forecasted spend of £75m.
- 10 Projects to reach Outline Business Case stage, 19 projects to reach Full Business Case, 12 projects to start on site, and 5 projects expected to complete construction.
- Quarterly reporting to DfT.

Outcome 2: Enhance carbon reduction benefits in the TCF programme by providing funding for additional measures to reduce carbon impact, including delivering EV charging, solar PV, green roof installation, e-bike hire scheme.

- Various milestones for delivery captured in the outputs above.

Outcome 3: Fully support the diverse communities in West Yorkshire by ensuring that projects are developed based on inclusive decision making.

- 100% of projects will have an up to date EqlA in place, which are reviewed at each stage of the project.

Outcome 4: Ensure the highway network is well maintained and supports safe roads, active travel, more reliability for public transport journeys, and improved customer experience.

- 3 no. SOC's approved and £60.3m annual programme delivery and financial performance of the CRSTS Highways Asset Management, Network Management, PROW and Safe Roads programmes.

Outcome 5: Continued work towards transport decarbonisation in West Yorkshire by accelerating the renewal of our bus fleet utilising zero emission vehicles.

- Zero Emissions Buses (ZEB) programme phase 1 (ZEBRA) outputs delivered in partnership with 3 WY operators; 111 ZEB ordered and delivered, associated electric vehicle charging infrastructure installed at 3 bus depots.

OUTCOMES AND OUTPUTS

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BUDGET

Capital Budget

£271.8m

Revenue Budget

£8.7m total expenditure

PEOPLE REQUIRED TO DELIVER THE OUTCOMES

Transport Policy: 26 (breakdown given on detailed business plan)

Bus Reform: 5 (breakdown given on detailed business plan)

Transforming Cities Fund: 17

Transport Implementation: 69

EQUALITY DIVERSITY AND INCLUSION

Workforce Targets | Our overall ambition is that our workforce, including our leadership, will be at least representative of the West Yorkshire population for the protected characteristics of disability, ethnicity, gender, and sexual orientation. To be achieved by 2030 (interim targets to be agreed following Census 2021 information and formation of the EDI strategy from 2024). 100% of employees complete their EDI monitoring information on new ICS system (including prefer not to say) – excluding people on maternity leave and long-term sickness – 2024.

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Learning and Development | By the end of 2023/24 100% employees complete IHasco mandatory EDI and unconscious bias training. Over 75%* of employees complete the optional EDI IHasco units. 100% of SMT complete EqlA training (training to be procured in 2023).

RESOURCES

MASS TRANSIT

OUTCOMES AND OUTPUTS 35

Outcome 1: Develop the business case for the Mass Transit Programme and the Phase 1 delivery commencing by 2028.

- Develop the Strategic Outline Case for Phase 1 of Mass Transit Programme. KPI:- Deliver Orange SOC and Green SOC reports.
- Develop the Outline Business Case model for the Mass Transit Programme. KPI:- Deliver OBC Model.
- Develop Route Corridor Options for Phase 1 of Mass Transit Programme.
- Progress consultation for Phase 1 of Mass Transit Programme. KPI:- Deliver Engagement and Consultation Plan.
- Develop Enterprise and Target Operating Models, and progress Commercial and Financial Models and Procurement Strategy for Phase 1 of Mass Transit Programme. KPI:- Deliver Enterprise and TOM Models.
- Develop strategic partnerships and relationships with key stakeholders and supply chain partners. KPI:- Deliver Strategic Partner Agreements with District Partners.

Outcome 2: Develop the interface the Mass Transit Programme has with the Integrated Rail Plan and associated review of Leeds Station capacity.

- Develop the brief requirements for the Mass Transit Programme interface with IRP at Leeds Station.
- Develop the assessment of potential options for the Mass Transit Programme to respond to the interface with IRP at Leeds Station.

Outcome 3: Develop and integrate the interfaces the Mass Transit Programme has with broader transport policies.

- Develop the requirements for the Mass Transit Programme interfaces with transport policies.

Outcome 4: Develop a Sustainability Strategy for Mass Transit that sets out the approach to carbon reduction measures, operational net zero approaches, climate adaptation and biodiversity measures.

- Procurement of Environmental Support Partner for Mass Transit.
- Development of Sustainability Strategy, Strategic Environmental Assessment and Carbon Impact Assessment for Mass Transit.

Outcome 5: Develop the interface between the Mass Transit Programme (route development), key strategic sites and place-based opportunities around Mass Transit.

- Interface with District Local Plans, Spatial Priority Areas and activity relating to Investment Zone status.

BUDGET

Capital Budget

£14.9m

Revenue Budget

Currently included within the Transport Policy and Delivery budget

PEOPLE REQUIRED TO DELIVER OUTCOMES

Developing business case - Client resources currently insufficient. Organisational development progressing. Development of operating model and District partner resources progressing.

Develop the interface the Mass Transit Programme has with the Integrated Rail Plan - Client resources currently insufficient. Organisational development progressing. Partner resources in place to support.

Develop and integrate the interfaces the Mass Transit Programme has with broader transport policies - Client resources currently insufficient. Organisational development progressing. Development of operating model and District partner resources progressing.

Develop a Sustainability Strategy - Likely to require additional human resource above and beyond current capacity and capability of existing Mass Transit Team. Procurement underway to appoint Partner to provide additional capacity in area.

Develop the interface between the Mass Transit Programme (route development), key strategic sites and place-based opportunities around Mass Transit - Resource sufficient across Mass Transit and Policy and Environment Directorates together with District Partner support.

EQUALITY DIVERSITY AND INCLUSION

Workforce Targets | Our overall ambition is that our workforce, including our leadership, will be at least representative of the West Yorkshire population for the protected characteristics of disability, ethnicity, gender, and sexual orientation. To be achieved by 2030 (interim targets to be agreed following Census 2021 information and formation of the EDI strategy from 2024). 100% of employees complete their EDI monitoring information on new ICS system (including prefer not to say) – excluding people on maternity leave and long-term sickness – 2024.

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Learning and Development | By the end of 2023/24 100% employees complete IHasco mandatory EDI and unconscious bias training. Over 75% of employees complete the optional EDI IHasco units. 100% of SMT complete EqIA training (training to be procured in 2023).

RESOURCES

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West Yorkshire Combined Authority Revenue Budget	Original Budget 22/23 £	Transport Ops & Passenger Experience £	Transport Policy & Delivery £	Inclusivity, Economy, Skills & Culture £	Policing, Environment & Place £	Strategy, Comms & Intelligence £	Corporate £	Finance & Commercial Services £	Forecast Outturn 22/23 £
Employee Costs	33,632,860	6,651,402	3,886,359	5,771,407	4,494,470	3,211,147	8,436,841	3,405,732	35,857,358
Indirect Employee Costs	1,458,433	30,600	-	95,096	57,605	-	1,752,933	-	1,936,234
Premises Costs	6,542,217	7,064,903	-	-	-	-	-	-	7,064,903
Supplies and Services	3,220,113	946,560	-	1,168,214	147,336	928,500	695,964	5,500	3,892,073
ICT Related Costs	3,324,896	1,226,000	-	-	-	-	-	2,238,243	3,464,243
Travel, Subsistence & Transport Costs	147,531	32,990	10,535	69,604	16,000	3,500	40,435	3,150	176,214
Members Allowances & Expenses	280,162	-	-	-	-	-	280,162	-	280,162
Tendered Services	25,866,000	34,172,000	-	-	-	-	-	-	34,172,000
Concessions	53,750,000	47,273,360	-	-	-	-	-	-	47,273,360
Prepaid Tickets Costs	15,000,000	22,000,000	-	-	-	-	-	-	22,000,000
Non-staffing Project costs	9,965,506	142,197	1,739,261	23,061,852	1,138,531	10,898,889	394,502	9,431	37,384,663
AEB Costs	71,816,746	-	-	71,816,746	-	-	-	-	71,816,746
Consultancy and Professional Services	1,634,150	256,500	-	565,152	2,409,014	227,000	740,196	168,843	4,366,706
Financing Charges	6,993,836	-	-	-	-	-	7,077,000	-	7,077,000
Vacancy savings targets	- 1,200,000	-	-	-	-	-	3,100,000	-	3,100,000
Total Expenditure	232,432,449	119,796,511	5,636,154	102,548,070	8,262,957	15,269,036	16,318,033	5,830,900	273,661,662
Capitalisation / Internal Recharges	- 14,650,019	- 1,981,582	- 3,823,535	326,992	851,727	- 1,453,525	- 4,680,683	- 1,567,579	- 14,031,638
Pre Paid Ticket Income	- 15,000,000	- 22,000,000	-	-	-	-	-	-	- 22,000,000
Funding - Grants	- 18,883,789	- 2,063,000	- 703,305	- 28,809,071	- 3,930,488	- 11,069,273	- 5,293,099	-	- 51,868,235
Transport Levy Income	- 92,198,000						- 92,198,000		- 92,198,000
AEB Income	- 71,938,746			- 71,938,746					- 71,938,746
Income - Operational	- 12,843,894	- 4,338,749	- 1,791,664	- 706,267	- 220,614	- 481,233	- 11,499,676	-	- 19,038,202
Tendered Services Income	- 6,918,000	- 10,796,000	-	-	-	-	-	-	- 10,796,000
Total Income	- 232,432,448	- 41,179,330	- 6,318,504	- 101,127,091	- 5,002,828	- 13,004,030	- 113,671,458	- 1,567,579	- 281,870,822
Net Expenditure Total	0	78,617,180	- 682,350	1,420,979	3,260,129	2,265,006	- 97,353,425	4,263,321	8,209,160
Adjust for non recurring income on investments to support capital programme							4,870,000		4,870,000
Adjust for transport reserve transfers out/(in)		3,194,000							3,194,000
Adjusted Net Expenditure Total	0	81,811,180	- 682,350	1,420,979	3,260,129	2,265,006	- 92,483,425	4,263,321	145,160

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West Yorkshire Combined Authority Revenue Budget	Transport Ops & Passenger Experience £	Transport Policy & Delivery £	Inclusivity, Economy, Skills & Culture £	Policing, Environment & Place £	Strategy, Comms & Intelligence £	Corporate £	Finance & Commercial Services £	Total Budget 23/24 £	Indicative Budget 24/25 £	Indicative Budget 25/26 £
Employee Costs	7,358,909	7,223,108	6,748,085	3,484,377	5,720,056	6,544,650	4,748,713	41,827,897	42,776,505	43,804,634
Indirect Employee Costs	-	-	-	-	-	1,724,819	2,000	1,726,819	1,416,849	1,406,849
Premises Costs	7,385,551	-	-	-	-	-	-	7,385,551	7,742,048	8,140,271
Supplies and Services	955,583	-	654,470	147,336	789,000	684,801	28,500	3,259,690	4,744,534	3,918,835
ICT Related Costs	1,183,108	-	-	-	-	-	2,488,313	3,671,421	4,034,934	4,079,454
Travel, Subsistence & Transport Costs	110,490	10,106	28,700	16,000	5,000	41,900	3,050	215,246	213,046	135,939
Members Allowances & Expenses	-	-	-	-	-	370,100	-	370,100	370,100	370,100
Tendered Services	38,589,200	-	-	-	-	-	-	38,589,200	40,518,660	42,544,593
Concessions	46,176,329	-	-	-	-	-	-	46,176,329	47,961,490	49,835,910
Prepaid Tickets Costs	22,000,000	-	-	-	-	-	-	22,000,000	22,000,000	25,000,000
Non-staffing Project costs	135,978	1,488,634	22,863,378	290,879	16,564,141	414,648	5,200	41,762,858	62,325,176	5,720,679
AEB Costs	-	-	71,816,746	-	-	-	-	71,816,746	71,816,746	71,816,746
Consultancy and Professional Services	271,500	-	532,793	164,000	247,000	1,073,473	189,300	2,478,066	1,764,170	1,740,928
Financing Charges	-	-	-	-	-	7,186,000	-	7,186,000	7,273,000	8,229,000
Vacancy savings targets	-	-	-	-	-	3,100,000	-	3,100,000	3,000,000	3,000,000
Total Expenditure	124,166,648	8,721,847	102,644,171	4,102,592	23,325,197	14,940,391	7,465,076	285,365,922	311,957,259	263,743,938
Capitalisation / Internal Recharges	-	4,963,341	481,302	1,958,888	1,957,676	5,390,238	1,436,212	17,233,501	17,821,183	18,840,880
Pre Paid Ticket Income	22,000,000	-	-	-	-	-	-	22,000,000	22,000,000	25,000,000
Funding - Grants	2,063,000	764,867	29,058,731	509,783	17,115,251	3,447,500	-	52,959,131	71,120,866	14,470,627
Transport Levy Income	-	-	-	-	-	92,198,000	-	92,198,000	92,198,000	92,198,000
AEB Income	-	-	71,938,746	-	-	-	-	71,938,746	71,938,746	71,938,746
Income - Operational	4,557,874	1,866,671	455,788	182,000	385,356	17,697,645	-	25,145,335	22,208,930	16,043,027
Tendered Services Income	11,338,100	-	-	-	-	-	-	11,338,100	11,923,630	12,538,437
Total Income	41,967,423	7,594,879	100,971,963	2,650,671	19,458,283	118,733,383	1,436,212	292,812,813	309,211,355	251,029,716
Net Expenditure Total	82,199,226	1,126,968	1,672,209	1,451,921	3,866,914	103,792,992	6,028,864	7,446,891	2,745,903	12,714,222
Adjust for non recurring income on investments to support capital programme	-	-	-	-	-	11,530,000	-	11,530,000	7,800,000	2,000,000
Adjust for transport reserve transfers out/(in)	4,177,000	-	-	-	-	-	-	4,177,000	1,018,000	-
Adjusted Net Expenditure Total	78,022,226	1,126,968	1,672,209	1,451,921	3,866,914	92,262,992	6,028,864	93,891	9,527,903	14,714,222

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Indicative Capital Programme

Investment Priority	Capital Expenditure	2022/23	2023/24	2024/25	2025/26
		£	£	£	£
	Transport Programmes				
IP5	City Region Sustainable Transport Settlement	66,059,941	100,000,000	200,000,000	255,761,294
IP5	Transforming Cities Fund (exc. CRSTS)	37,940,399	78,618,210	102,924,280	111,240,311
IP5	West Yorkshire plus Transport Fund	58,626,946	74,296,599	96,499,623	93,530,586
IP5	Zero Emissions Bus Regional Areas	3,818,701	15,364,384	11,126,155	
IP5	Leeds Public Transport Investment Programme	2,870,000			
IP5	Integrated Transport Block (CA legacy projects)	4,666,883	3,628,138	100,000	
IP5	Active Travel Fund (Revenue and Capital)	6,856,529	7,763,008	2,530,967	
IP5	New Station Fund	3,687,541	7,000,000		
	Total Transport Programmes	184,526,940	286,670,338	413,181,025	460,532,191
	Economic Development Programmes				
Various	Getting Building Fund	11,377,575			
IP3	Brownfield Housing Fund	9,000,000	29,579,359	29,848,924	
IP4	Social Housing Decarbonisation Fund	4,661,627			
IP3	British Library North	6,000	100,000	4,500,000	5,625,000
	Corporate Projects	1,897,281	1,805,649		
IP3	Broadband	1,204,119	77,425		
	Growth Deal - Economic Development	123,300			
IP1	Business Accelerator Fund	2,301,895	3,070,000	2,289,000	3,702,000
IP4	Flood Alleviation Scheme	12,565,000			
	Total Economic Development Programmes	43,136,797	34,632,433	36,637,924	9,327,000
	Total Capital Spend	215,098,737	321,302,771	449,818,949	469,859,191

	Capital Funding	Balance	2022/23	2023/24	2024/25	2025/26
		as at end 2021/22	£	£	£	£
	Transport Funding					
	City Region Sustainable Transport Settlement	0	(161,328,000)	(167,168,000)	(167,168,000)	(167,168,000)
	Transforming Cities Fund	(142,808,154)	(12,118,000)	(35,350,549)		
	West Yorkshire plus Transport Fund	15,370,086	(50,450,000)	(50,450,000)	(50,450,000)	(30,000,000)
	Zero Emissions Bus Regional Areas	0	(30,309,240)			
	Leeds Public Transport Investment Programme	(1,887,508)				
	Integrated Transport Block	(8,542,752)				
	Active Travel Fund (Revenue and Capital)	(14,619,537)	(2,530,967)			
	New Station Fund	(1,147)	(3,687,541)	(7,000,000)		
	Economic Development Funding					
	Getting Building Fund	(11,377,575)				
	Brownfield Housing Fund	(3,809,070)	(18,178,719)	(25,000,000)	(25,259,573)	
	Broadband	(3,911,470)	(1,334,037)			
	Social Housing Decarbonisation Fund	(5,061,627)				
	British Library North	(24,994,520)				
	Land Release / One Public Estate					
	Gainshare Capital	(19,000,000)	(9,500,000)	(9,500,000)	(9,500,000)	(9,500,000)
	Flood Alleviation Scheme		(12,565,000)			
	Other					
	Capital Receipts					
	Contribution to LPTIP from Reserves	(970,945)				
	Borrowing for corporate projects	10,837,789				
	Total Capital Income	(210,776,430)	(302,001,504)	(294,468,549)	(252,377,573)	(206,668,000)

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Treasury Management Strategy Statement

1. This statement sets out the Treasury Management Strategy for 2023/24 and limits under the prudential framework. It has been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice 'Treasury Management in Public Services' which is re-adopted each year by Members of the Combined Authority. The statement and its implementation are currently updated twice annually in the final accounts and budget reports and also reviewed quarterly at Treasury Management meetings with any key findings reported to the Governance and Audit Committee.
2. The Combined Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite in this regard, providing adequate liquidity initially before considering investment return.
3. The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This means that the Combined Authority must calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that capital expenditure must be limited to a level where increases in charges to revenue from additional external interest and running costs are affordable within the projected income levels for the foreseeable future.
4. CIPFA defines treasury management as:
"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
5. The Local Government Act 2003 and Local Authorities (Capital Finance and Accounting) Regulations 2003 set out the system of capital finance to be followed by all local authorities from 2004. This appendix is intended to take account of the requirements of the regulations and to set them in the context of the Treasury Management Code of Practice. It also takes into account the risk appetite of the Combined Authority in this regard and the focus on ensuring security of the funds is set out further in section 15.
6. The treasury management arrangements must encompass all activities undertaken by the Combined Authority. This treasury strategy recognises the borrowing necessary to fund the capital programme requirements of both the General Fund (Combined Authority excluding policing) and the Police Fund. It should be noted that the decision making arrangements will differ for these two elements with the revenue costs of borrowing being included within the revenue budgets of the general fund and police fund accordingly.

7. For the Combined Authority non-policing activity borrowing is required to support the delivery of the full West Yorkshire plus Transport Fund and to support corporately determined schemes for which no capital resource other than borrowing has been identified. In addition, local funding has been committed to the Transforming Cities Fund and the arrival of gainshare funding provides an income stream which is intended will be used at the appropriate time to support borrowing. Estimates of the likely funding required are set out in the capital annex below and further work is underway to ensure there is a full robust programme of delivery for all schemes that will enable the borrowing requirements for future years to be fully understood. The short term borrowing requirement is likely to be offset as external investments are internalised to reduce counterparty risk implicit within external investments. Work is underway to determine the extent to which future years' gainshare will be utilised to support a future capital programme and the extent of any borrowing required. The forecasts will be updated as these plans are crystallised. Borrowing is also required to support the delivery of policing in West Yorkshire, with a range of projects in development.

Treasury Management activity – Borrowing and Investments

8. The overall treasury management portfolio as at 30 November 2022 and for the projected position as at 31 March 2023 are shown below for both borrowing and investments.

Total Loans outstanding at 01/4/2022	£m
Fixed term loans - CA General Fund	75.0
Fixed term loans- Police Fund	74.4
<u>Activity during 2022/23:</u>	
Loan repayment - CA General Fund	0.0
Loan repayment - Police Fund	(0.6)
Anticipated loan outstanding at 31/03/2023:	148.8
<u>Activity expected during 2023/2024:</u>	
New borrowing for the Capital Programme - CA General Fund	0.0
New borrowing for the Capital Programme - Police Fund	0.0
Borrowing repaid - CA General Fund	0.0
Borrowing repaid - Police Fund	(0.6)
Anticipated loans outstanding at 31/3/2024	148.2
Total Investments	
Investment - CA General Fund at 1 April 2022	498.5
Investment - Police Fund at 1 April 2022	84.0
Net of new Investment in year - CA General Fund	117.5
Net of new Investment in year - Police Fund	35.0
Anticipated CA General Fund investment placed at 31/03/2023	616.0
Anticipated Police Fund investment placed at 31/03/2023	119.0

9. Since the start of 2022/23 the interest rate environment has been driven by global supply bottlenecks, the implications following the Russian invasion of Ukraine and domestic policy changes following the change of Prime Ministerial leadership. The previous low interest rate environment has evaporated quickly particularly over the last couple of months with base rate now at 3.5% and forecast to rise further, possibly past 4%. Opportunities to refinance loans remain limited.
10. Leeds City Council undertakes the monitoring of the financial markets on behalf of the Combined Authority. The agreed policy is to seek to minimise the rates at which the Combined Authority borrows and to continue to refinance any longer term loans if rates appear advantageous. No such opportunities have arisen so far in 2022/23. The Combined Authority has a loan portfolio with historically competitive rates and the economic climate has been such that there have been no suitable opportunities identified for refinancing.
11. The business planning and budget report sets out the estimated requirement for borrowing to supplement the capital grants received. The calculations in the annex demonstrate how this works through the capital financing requirement and set out the financing costs which are then included within the appropriate revenue budget.
12. The Combined Authority's cash balances have been increasing in recent years due primarily to large grant payments for capital schemes being received in advance. This has led to the changes agreed during previous years to enable these larger sums to be better managed. Over the past three years the limits and counterparties have been kept under regular review to ensure the sums available for investment are able to be placed appropriately. The Authority has a portfolio of investments in fixed deposits but also keeps an element of liquid cash in call/notice accounts to manage day to day cashflow needs. For longer term deposits the selected counterparties are constantly monitored and meet the strict eligibility criteria stipulated under Leeds City Council's investment policy which has been adopted by the Combined Authority. This approach will continue during 2023/24 with an expectation that the Combined Authority will continue to have high cash balances to invest due to the advance payment of capital and other grant funding. Within the existing policy the Combined Authority can also invest in money market funds and this opportunity may also be taken to enable effective management of what is expected to be further significant cash advances of City Region Sustainable Transport Settlement, Brownfield Housing, Adult Education Budget, and other capital funding initiatives under the Mayoral Combined Authority in 2023/24, including the £38 million annual gainshare payment.
13. The general level of borrowing and investments is handled efficiently by Leeds City Council and has produced a situation where the Combined Authority has, in relative terms, very low borrowing costs. Regular meetings are held with the Leeds City Council staff who undertake treasury work for the Combined Authority under the terms of a signed service level agreement, and these meetings ensure a satisfactory level of control and monitoring is achieved.

These meetings also consider the overall treasury management strategy and ensure that the policies in place continue to be appropriate to ensure that the Combined Authority's funds are managed to provide security and liquidity. A similar arrangement is in place for the policing funds, with support currently provided through Wakefield Council.

14. The Combined Authority has strict rules on investment criteria which are set out in paragraphs 15 to 18 for consideration and re-approval. These are set to minimise the risk to the Combined Authority's funds but does also mean that interest earned on deposits is lower than taking a higher risk approach would be. It is therefore in the Combined Authority's interest to seek to utilise any cash balances to reduce the costs of long term borrowing and this policy will continue to be pursued to reduce external Counterparty risk.

Treasury Management Activity – Investments Criteria

15. In general it is intended there should be no long term investments by the Combined Authority with any surplus cash being invested short term up to a maximum term of one year. The level of future investments will fluctuate on a short-term basis due to cash flow requirements but will be maintained as low as possible. Any investments undertaken by the Combined Authority follow the guidance of the Department for Levelling Up, Housing and Communities (DLUHC) having regard to the concept of security, liquidity and then yield with emphasis being placed on the "return of funds" rather than the "return on funds".
16. It is proposed that the existing policy of utilising external support for treasury management continues. At present this is provided by the Treasury Management Teams in Leeds City Council (for CA general funds) and Wakefield Council (for the Police Fund) and it is expected that these services will continue to be provided by one of the local authority partners.
17. The Combined Authority has several rules in place for short term investments/borrowing, as set out below and that these should continue to be applied, with changes highlighted in bold below: -
 - 17.1. The Chief Finance Officer (Director, Finance and Commercial Services) shall determine the amounts and periods.
 - 17.2. The procedural documents as approved for their Treasury Management Division by Leeds City Council and Wakefield Council shall be adopted in relation to the Combined Authority's short-term investments encompassing the Council's list of approved financial organisations and the maximum lending limits per organisation, as specified in that document from time to time.
 - 17.3. No investment will be for a period exceeding 12 months other than with other local authorities and then only for a period not exceeding 36 months. The limits for each of the next three years are that for investments for a period greater than 364 days, that no more than £20 million (for each of the CA general fund and police fund portfolios) will mature in each of 2023/24, 2024/25 and 2025/26.

- 17.4. Investments with Leeds City Council will not exceed £15 million, the interest rate for such deposits being agreed between the Chief Finance Officers of both organisations. This arrangement is a continuation of approved arrangements put in place some years ago to recognise the potential conflict of interest that could arise.
- 17.5. Investments with any one counterparty should not exceed £15 million (for each of the CA fund and police fund portfolios).
- 17.6. Investments with the Combined Authority's bankers are specifically excluded from the limits set out, in recognition of the fluidity of such arrangements.
18. The proposals above would provide the flexibility for the Combined Authority to invest its surplus funds which, as they are expected to continue to increase, will become increasingly difficult to place on the market. As the capital programme progresses and new borrowing requirement increases it is anticipated that external investments will be internalised to fund this borrowing requirement pending locking into long term funding and also reducing external Counterparty risk. The proposals are deemed low risk and are in accordance with the criteria applied by Leeds City Council to its treasury arrangements.

THE PRUDENTIAL INDICATORS

19. The principal purpose of the prudential system is to allow authorities as much financial freedom as possible whilst requiring them to act prudently. There is no formal requirement arising from this to set government borrowing approvals but government retains the power to do so and it has determined that Combined Authorities are required to agree a debt cap with government.
20. The debt cap operates on long-term external debt and does not limit capital spending funded from internal cash flow or short-term external debt (less than 1 year). The agreement will be reviewed in light of emerging initiatives, local or national, which have a material impact on the Combined Authority borrowing totals. Agreement made with the government on limit on the Authority's total long-term external debt for 2022/23 is £304.1 million, and indicatively as £381.6m for 2023/24 and £477.4m for 2024/25. This limit has been derived from the current agreed long-term investment plans of the authority including those investment required for provision of policing services, with some significant headroom to enable flexibility.
21. The projection of external debt figures outlined in this report falls well within the year end ceilings incorporated into the debt deal.
22. Irrespective of this cap restrictions are imposed through the CIPFA Prudential Codes which require every authority to set prudential indicators and limits and thus be satisfied that it can afford the results of its borrowing and to ensure investment is in line with its place making remit and not solely for financial yield. These limits, which must not be exceeded, must be formally agreed by the Authority before the start of each financial year.

23. The applicable codes governing our arrangements are the “Treasury management in the Public services – Code of Practice and the “Guidance notes 2021” and “The Prudential Code - for capital finance in Local Authorities 2021”, as well as Treasury management in the Public Services Guidance Notes for Local Authorities including Police bodies and fire and rescue authorities 2021 which is now formally part of the CIPFA codes as well as recognising the DLUHC Investment guidance which has always had statutory underpinnings. In summary these Codes emphasise that local authorities must ensure that all its capital and investment plans and borrowing are prudent and sustainable. In doing so it will consider its arrangements for the repayment of debt and consideration of risk and the impact, and potential impact, on the authority's overall fiscal sustainability. While indicators for sustainability are required to be set over a minimum three year rolling period, indicators should be set in line with a capital strategy and asset management plan that is sustainable over the longer term.
24. A capital strategy should demonstrate that the Combined Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The Capital Strategy, last approved in April 2021, is being reviewed and updated, and will be reviewed alongside the West Yorkshire Investment Strategy in the first part of this year.
25. The Code requires full capital and revenue plans to be prepared for at least three years forward in order to assess the financial effects of the planned capital investment. In the Combined Authority the three year financial strategy is considered by Members on a regular basis and to ensure a level of affordability, it is currently the policy that borrowing to meet capital expenditure will be limited to proposed levels. Restricting borrowing in this way ensures that all debt charges are covered by known income streams, including through its levy on the Districts, gainshare funding or through precept/Home Office funding for borrowing on delivering policing services.
26. In accordance with the above, overall capital expenditure will be met firstly by grants and other resources leaving the balance to be met by borrowing.
27. There are significant levels of grant provided to the Combined Authority under a range of programmes and with the prospect of future funds through any successor programmes. Recognising the demands upon infrastructure investment it is proposed that other alternative methods of financing during the year remain under consideration as and when appropriate. The financial viability and value for money of such methods will require investigation and savings found within the budget to accommodate the costs involved. Members will be asked to approve any such methods before they are implemented.
28. The Combined Authority has in place a five year borrowing facility with the European Investment Bank (EIB) which provides a flexible financing offer to support the West Yorkshire Plus Transport Fund. Many of the schemes in the West Yorkshire plus Transport Fund meet the EIB funding criteria and this provides an attractive alternative to the traditional PWLB lending. The UK's

withdrawal from the European Union does not preclude this arrangement taking place.

29. When the Combined Authority last reviewed the borrowing limits in the light of market rates, it was determined that the limit was to be set at a level sufficient for the current year plus the equivalent of two years anticipated borrowing requirement which is derived from the capital allocations. This was intended to provide flexibility for fund management allowing borrowing to take place when rates are low rather than being tied into strictly annual borrowing.
30. The Annex initially creates limits set at the required level of borrowing for 2023/24 and 2024/25. To provide more flexibility in managing the funding operation it was previously agreed that approval be given to borrow to cover loan requirements for the current plus the following two years.
31. The attached (**Annex 1**) shows the calculation of the following prudential indicators separately for the CA general fund portfolio and the ring fenced police fund portfolio:
 - 31.1. Gross external Borrowing requirement (Gross Debt and CFR). The gross borrowing requirement should not exceed the Capital Financing Requirement (CFR).
 - 31.2. The ratio of debt charges to overall expenditure. This is not significant to the Combined Authority as it is effectively controlled through the level of the levy, and the level of precept for the police fund (as referred to above).
 - 31.3. The operational boundary should reflect the maximum anticipated level of external debt consistent with budgets and cash flow forecasts. It should be seen as a management tool for on-going monitoring of external debt, and may be breached temporarily due to unusual cash flow movements.
 - 31.4. The authorised limit represents the legislative limit on the Combined Authority's external debt under the Local Government Act 2003. It should be set with sufficient headroom above the operational boundary to allow flexibility for planned borrowing to be undertaken, in order for prudent treasury management decisions to be taken and temporary cash flow fluctuations to be managed.
 - 31.5. The limit on non-Treasury Investment should not exceed £20m. It also includes a ratio of estimated return on investment against revenue stream and net income from investments as a proportion of usable reserves.
 - 31.6. The Combined Authority is required to set upper and lower limits for the maturity structure of its borrowings. This is designed to limit the risk of exposure to high interest rates by restricting the level of maturing debt in any given year. The limits represent the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total

projected borrowing that is fixed rate. It is proposed that these limits remain unchanged.

32. The Liability Benchmark (or gross loans requirement as **Annex 2**) looks at a net management of the treasury position. It aims to minimise/reduce refinancing, interest rate and credit risks by profiling the borrowing portfolio against a benchmark. Liability benchmarks are broken down between the CA general fund and the ringfenced Police Fund in accordance with CIPFA guidance. There is no mismatch between the actual loan debt outstanding and the liability benchmark based on the current forecast.
33. The Prudential Code requires Members to have an approved Treasury Management Policy (this is set out above) and to agree limits for variable and fixed rate loans. It is recommended that the maximum limit for variable rate loans continues to be set at 40% and the limit for fixed rate loans remains at 200%. This reflects the current position that arises from the increase in cash balances and investments resulting from an increase in advance grant funding.

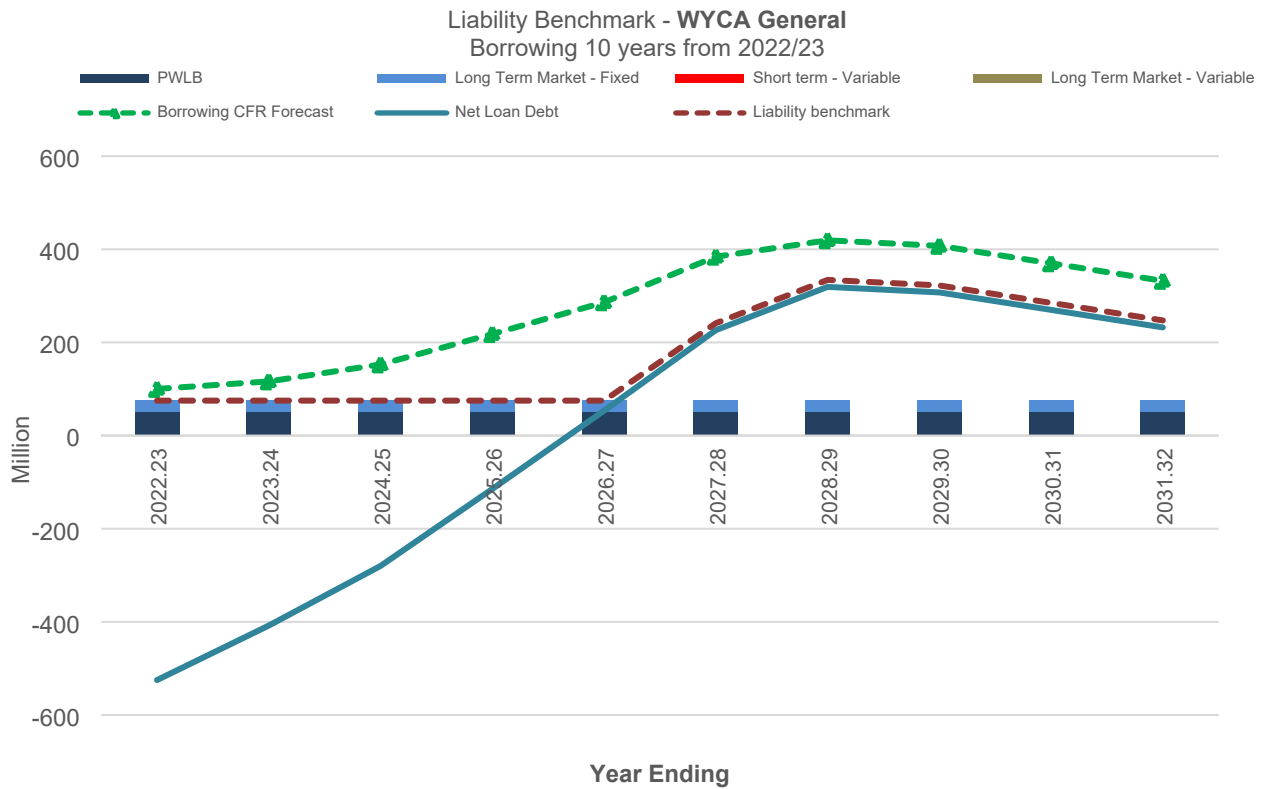
Minimum Revenue Provision (MRP) Policy Statement

34. Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).
35. The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The recommended MRP statement is as follows:
 - a) For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be 4% reducing balance
 - b) From 1 April 2008 for all unsupported borrowing the MRP policy will be Asset life method (annuity) – MRP will be based on the estimated life of the assets such as land and buildings.
36. Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25, or in the year after the asset becomes operational. The Combined Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.
37. The CA's policy is to finance shorter lived assets from capital receipts, grants and contributions where possible, with borrowing generally reserved for long term assets generated such as land and buildings.

Annex 1 - Treasury Management Strategy Statement Performance Indicators

DM10e		Current year	Year+1	Year+2	Year+3	
		2022.23 Forecast	2023.24 Estimate	2024.25 Estimate	2025.26 Estimate	
PRUDENTIAL CODE INDICATORS						
CAPITAL EXPENDITURE						
<u>Estimate of Capital Expenditure</u>						
	WYCA - General	£k	224,437	325,565	412,274	360,494
	WYCA - Police Fund	£k	34,498	49,004	40,312	16,431
	Total	£k	258,935	374,569	452,586	376,925
<u>Capital Financing Requirement</u>						
<u>Borrowing</u>						
	WYCA - General	£k	100,188	116,280	152,756	218,016
	WYCA - Police Fund	£k	113,983	144,493	166,448	168,101
	Sub Total Borrowing	£k	214,171	260,773	319,204	386,117
<u>Other Long Term Liabilities</u>						
	WYCA - General	£k	0	0	0	0
	WYCA - Police Fund PFI	£k	81,883	79,327	76,101	72,599
	Sub Total Other Long Term Liabilities	£k	81,883	79,327	76,101	72,599
	Total Capital Financing Requirement	£k	296,054	340,100	395,305	458,716
EXTERNAL DEBT						
<u>Operational Boundary</u>						
	WYCA - General	£k	100,000	100,000	100,000	100,000
	WYCA - Police Fund (incl. Other LTL PFI)	£k	200,000	233,000	253,000	253,000
	Total	£k	300,000	333,000	353,000	353,000
<u>Authorised Limit</u>						
	WYCA - General	£k	229,000	282,000	345,000	318,000
	WYCA - Police Fund (incl. Other LTL PFI)	£k	263,000	266,000	263,000	260,000
	Total	£k	492,000	548,000	608,000	578,000
<u>Actual External Debt (year end Forecast)</u>						
<u>WYCA - General</u>						
	PWLB	£k	50,000	50,000	50,000	50,000
	Market (Inc LOBO)	£k	25,000	25,000	25,000	25,000
	Short term (Actual)	£k	0	0	0	0
	Total Gross External Debt	£k	75,000	75,000	75,000	75,000
	Other Long Term Liabilities	£k	0	0	0	0
	Total Including OLTL	£k	75,000	75,000	75,000	75,000
<u>WYCA - PCC</u>						
	PWLB	£k	64,776	64,146	63,516	62,886
	Market (Inc Fixed Rate)	£k	9,000	9,000	9,000	9,000
	Short term (Actual)	£k	0	0	0	0
	Total Gross External Debt	£k	73,776	73,146	72,516	71,886
	Other Long Term Liabilities	£k	0	0	0	0
	Total Including OLTL	£k	73,776	73,146	72,516	71,886
AFFORDABILITY						
<u>Estimate of Financing Cost to Net revenue Stream</u>						
<u>WYCA - General</u>						
	Financing Cost	£k	7,045	7,134	6,798	6,993
	Net Revenue Stream	£k	98,375	103,533	102,269	101,127
	Ratio	%	7.16%	6.89%	6.65%	6.92%
<u>WYCA - PCC</u>						
	Financing Cost	£k	11,966	12,010	11,878	12,054
	Net Revenue Stream	£k	147,863	159,533	167,947	173,070
	Ratio	%	8.09%	7.53%	7.07%	6.96%
INVESTMENTS - WYCA General Only						
<u>Limit on non-Treasury Investments</u>						
			20,000	20,000	20,000	20,000
<u>Estimate of Net Income from Investments for Commercial and Service Purposes</u>						
	Income	£k	108	108	75	57
	Ratio of Income from Commercial and Service Purposes to Net revenue Stream	%	0.11%	0.10%	0.07%	0.06%
<u>Net Income from Investments for Commercial and Service Purposes as a Proportion of usable Reserves</u>						
	Useable Reserves	£k	346,053	430,000	300,000	210,000
	Ratio of Income from Commercial and Service Purposes to Usable reserves	%	0.03%	0.03%	0.03%	0.03%
TREASURY MANAGEMENT CODE INDICATORS						
<u>Liability Benchmark for Borrowing</u>						
See Annex 2						
<u>Liability Benchmark for Investments</u>						
Not Applicable						
		CA General Fund		Police Fund		
		Projected £m		Projected £m		
Maturity Structure of Borrowing 2023/24		31/03/2023	%	31/03/2023	%	
Lower	Upper					
	under 12 mths	0%	30%	-	0%	
	12 mths and within 24 mths	0%	20%	-	0%	
	24 mths and within 5 years	0%	50%	-	0%	
	5 years and within 10 years	0%	75%	5	7%	
	10 years and within 20 years			-		
	20 years and within 30 years			52		
	30 years and within 40 years	25%	100%	-	93%	
	40 years and within 50 years			17		
	50 years and above			-		
			75	74	100%	
			100%			
<u>Upper limit for long term Treasury Investments to mature in following years</u>						
	Year +1		20,000		20,000	
	Year +2		20,000		20,000	
	Year +3		20,000		20,000	

Annex 2 – Liability Benchmark





Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **Pipeline Development Priorities**

Director: Alan Reiss, Director of Strategy, Communications and Intelligence

Author: Alan Reiss, Director of Strategy, Communications and Intelligence

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 To endorse proposals for the next phase of development of programmes to support the delivery of the West Yorkshire Investment Priorities and associated outcomes, building on initial deployment of gainshare and other funds.
- 1.2 To approve in principle £5m additional capacity funding to support pipeline development within the local authorities.

2. Information

Background

- 2.1 The West Yorkshire Devolution Deal, agreed with Government in March 2020, marked a step change in governance for the region. It provided the region with the opportunity to control over £2bn of investment in priorities for the people, communities and businesses of West Yorkshire.
- 2.2 As part of the deal, the Combined Authority was required to create the West Yorkshire Investment Fund (as part of establishing a Single Investment Fund), which would bring together all the funding streams received by the Combined Authority. This would enable the region to join up decision making

across investment areas in order to achieve better outcomes, and plan over a longer term.

- 2.3 At the Combined Authority in June 2021 the approach to the Single Investment Fund (SIF) and the West Yorkshire Investment Strategy (WYIS) were endorsed.
- 2.4 The WYIS sets out the Investment Priorities¹ for the period 1 April 2021 to 31 March 2024 which are framed across six areas. In each, a number of priority project/programme areas have been identified that are the focus for intervention.

Investment Priority 1:	Good Jobs and Resilient Businesses (including entrepreneurialism)
Investment Priority 2:	Skills and training for people
Investment Priority 3:	Creating Great Places and Accelerated Infrastructure
Investment Priority 4:	Tackling the Climate Emergency and Environmental Sustainability
Investment Priority 5:	Delivering Sustainable, Inclusive and Affordable Transport
Investment Priority 6:	Culture, Creative Industries, Sport and Physical Activity

- 2.5 Subsequently, at the Combined Authority meeting on 3rd February 2022, the Combined Authority indicatively approved the revenue funding envelopes to the Investment Priorities within the WYIS for the financial years 21/22-24/25. The Combined Authority agreed that full approvals to spend will be granted once pipelines of projects have been developed. All schemes and pipeline are to be progressed through the Combined Authority's Assurance Process for approval.
- 2.6 Programmes will in many cases contribute to the outcomes of more than one Investment Priority. They are underpinned by three cross cutting themes: tackling inequalities; inclusive growth; and tackling the Climate Emergency. These are embedded in the detail of the priorities. Schemes are expected to take these into account as they form part of the assessment criteria.
- 2.7 The Combined Authority has already launched a series of post-covid revenue programmes, driven by the region's Economic Recovery Plan, particularly focussed on business growth and improved productivity, job creation, and enabling people to develop new skills and return to employment. These include Enterprise West Yorkshire, Employment Hubs, and Skills Connect. At

¹ It should be noted that the Police Fund is made up of a ring-fenced grant from government and the policing precept, it is therefore held separately and is not included in the Single Investment Fund. Therefore policing and crime is not an Investment Priority within the WYIS, although the programmes might contribute to Police and Crime Plan outcomes.

the same time, it has developed a medium term pipeline of schemes focussed on improving transport and travel, to be delivered using the five-year City Region Sustainable Transport Settlement.

- 2.8 It has recently complemented these programmes to help tackle the crisis in the cost of living and doing business. This includes programmes to support businesses to invest in measures to help become more energy efficient and resilient, and a Cost-of-Living fund, delivered through the Voluntary and Community Sector, to help support people with food, warmth and mental health. This is a new area of investment for the Combined Authority, recognising the seriousness of the current Cost of Living crisis.
- 2.9 The Combined Authority has also invested gainshare in building capacity within each of the five local authorities, and the Combined Authority, to build a pipeline of schemes. This is to improve the region's readiness for new funding, and will help the region to overcome the 'stop-start' problems of inconsistent and short term government funding. The development of a capital pipeline will also develop the opportunities for the Combined Authority to borrow large capital sums, which is likely to be necessary to deliver major investments in the longer term.
- 2.10 In addition to this, the Combined Authority invested £5m in the five local authorities in 2020-21 to enable cultural activity to support economic recovery from Covid.

Proposals for the next phase

- 2.11 The Combined Authority and partners are now moving to the next phase of decision making, about setting the longer term investment plans.
- 2.12 The Investment Strategy is being reviewed annually to take account of changing local and national circumstances, integrate new funding and investment opportunities and determine the best use of the resources available to the Combined Authority to maximise potential. The next review is due to take place in June 2023, and will further refine priorities and look to set out plans over a longer period.
- 2.13 The primary source of funding to deliver programmes at a regional level is the Single Investment Fund (SIF). The SIF contains a range of funding streams, including for example :
- Gainshare
 - UK Shared Prosperity Fund
 - City Region Sustainable Transport Settlement
 - Bus Service Improvement Plan Grant
 - Transforming Cities Fund
 - Brownfield Housing Fund

A full list is available at Appendix 1.

2.14 It is intended that over the medium term, a pipeline of overarching programmes/projects contributing to the investment priorities will be developed across the region. These programmes would be ambitious and scalable, and would not be designed to be constrained within a particular funding envelope. This will enable the region to:

- Take advantage of the funding that is already available, to fund immediate priorities;
- Respond quickly to future funding that becomes available, for instance due to successful partnering with the private sector, or additional allocations from central Government; and
- Borrow for a pipeline of capital programmes, thereby taking advantage of the significant revenue proportion of the gainshare (75%) which was achieved during the devolution negotiations in 2020.

2.15 In summary, the Combined Authority has already approved the following programmes, largely to be funded from gainshare between 2020 and 2025:

- **Business and Innovation** – includes Business West Yorkshire, Enterprise West Yorkshire, Business Productivity Programme (matched with UKSPF), and Innovation West Yorkshire. c £20m. These programmes are aimed at supporting businesses to grow, encouraging entrepreneurs, increasing productivity, and supporting innovation, all with the aim of delivering better paid, higher quality jobs and delivering inclusive growth. These all fill a gap in provision, address market failure and add value to the wider business support landscape.
- **Employment and Skills** – Employment support, VCS, Inclusivity (including Fair Work Charter) £12m
This includes the Mayor’s Cost of Living fund, which is supporting people with food, warmth and mental health, working with the Voluntary and Community Sector. The Mayor’s Inclusivity Champion is due to be appointed in early 2023, and the Fair Work Charter will also be launched in 2023. Employment West Yorkshire is funding 65 posts across local authorities. It will deliver an innovative West Yorkshire-wide inclusive employment support service model for people of all ages that has local flexibility to respond to labour market needs, and to provide workforce employment support for local employers, linking vacancies to possible candidates
- **Climate, Energy and Environment** – business sustainability package (Dec CA) £11.7m, social housing decarbonisation plus development funding c£7.8m
The West Yorkshire Climate and Environment Plan was approved in 2021 and sets out the steps that need to be taken over the next few years to make progress towards achieving the 2038 net zero carbon

target. Examples of progress include: 1000 Green Jobs have been pledged as part of the Green Jobs Taskforce; over 600 properties had retrofit measures; the CA has approved £1m emergency grants to help businesses become more energy efficient, with a further £10m business sustainability programme beginning in April 2023.

- **Creative New Deal** – Leeds 2023, Bradford Lit Fest, Kirklees Year of Music c.£2.6m
The Combined Authority is supporting the region’s cultural festivals from 2023-25, when all parts of the region will benefit from the economic and social impact of a focus on culture and the creative industries, culminating in Bradford being the UK City of Culture 2025.
- **Transport** – bus reform development £1m, and £4m match funding (capital) to support the successful Levelling Up Fund bid for bus enhancement.
In addition to the schemes being delivered through the West Yorkshire + Transport Fund, the Transforming Cities Fund, and the City Region Sustainable Transport Settlement, the Combined Authority has also approved for gainshare to be used to develop elements of bus reform.
- Capacity funding to LAs and CA c.£11m
- Mayoral function and election costs etc. c£11m

2.16 This totals approximately £70m over the period 2022-25. Revenue gainshare over this period totals £114m, although further funding is also available from future years, and there are also unknown funding opportunities that are likely to be revealed by Government in due course. Other programmes such as the Housing Revenue Fund, Brownfield Housing Fund and funding for the British Library North have also been used to progress the development of sites outside the need for gainshare funding to this point.

2.17 Decisions will need to be taken about the additional programmes to be developed and how they will receive funding. The following principles are proposed:

- The Combined Authority should aim to maximise use of revenue for capital borrowing from 2024/25 onwards, which is dependent on the development of a capital pipeline;
- The Combined Authority should continue to safeguard capacity / LA support funding;
- The Combined Authority should continue with the current plan to deliver revenue programmes to support economic recovery and tackle the crisis in the cost of living and doing business, with a view to reviewing plans later in 2023 for future years;

- The Combined Authority should scale back work on programmes that are the least developed and / or lower priority, and focus efforts on priority programmes.
- 2.18 Furthermore, we are expecting further decisions from national Government about funding for Combined Authorities, which we are seeking to influence through direct engagement with the Dept for Levelling Up, Housing and Communities. Currently, the funding available is inadequate to meet total need.
- 2.19 Therefore, **it is proposed to develop additional programmes in the following areas, to contribute towards the achievement of the outcomes set out in the West Yorkshire Investment Strategy**, and to complement those programmes already approved.
- 2.20 The programmes are shown by lead investment priority, but it is also indicated below where they clearly contribute to more than one e.g. climate. A decision is not being requested on funding allocations in this paper, although potential funding ranges up to 2025 are shown only as a guide. These are highly indicative, and subject to further work. The Combined Authority could choose in future to allocate more to programmes that those figures indicated, depending on the overall funding position, particularly given that further funding is coming through the gainshare in future years. (some relevant project approvals appear later in the agenda). These programmes are where there is a need for revenue, the approach to schemes that require capital is under paragraph 2.26. Some major programmes that are being developed are not listed, for instance Mass Transit:

Investment Priority 1: Good Jobs and Resilient Businesses (including Entrepreneurialism)

Since April 2020, Combined Authority programmes have created around 4,500 jobs, and nearly 2,500 businesses have received financial support.

The £6m Enterprise West Yorkshire programme provides a package of enterprise support. This includes activity to promote enterprise as a viable and achievable career option to all (including young people), ‘hands on’ advice and guidance to anybody in West Yorkshire who wants to set up a new enterprise (regardless of location, sector, or growth potential), and an intensive package of bespoke support to accelerate the growth plans of a smaller number of innovation-led entrepreneurs. To date, 1,584 individuals have been supported across the programme and over 500 start-up firms have been supported. The programme has equality diversity and inclusion targets which are being reached as follows (where data is provided)

- Female participation: Target (50%), Actual (57%)
- Ethnic minority participants: Target (20%), Actual (31%)
- Participants self-certified with a disability: Target (3%), Actual (11%)

The gainshare funded Mayoral Innovation Prize pilot was launched in late 2022 and provides an opportunity for young entrepreneurs to develop their ideas and potential with a focus on netzero (alignment to IP4). Applications close in early 2023, and participants have the opportunity to secure funding and support to innovate. The pilot will be scaled up as part of the Innovation West Yorkshire programme and will seek to support a diverse range of businesses and entrepreneurs with their innovation journey.

The West Yorkshire Innovation Festival 2022 delivered a week long celebration of innovation across the region, including the flagship Innovate UK Local event in Bradford, launch of the Mayors Innovation Prize in Leeds, and the University of Huddersfield campus innovation festival. The theme for the festival was inclusive innovation: innovation for all. WYIF 2023 will be scaled up as part of the Innovation West Yorkshire programme.

The Business Productivity Programme has supported several SMEs to develop and improve products and processes through its innovation strand (circa £150k of grant investment in 11 SMEs), and has recently appointed Exemplas and Leeds Beckett University to deliver specialist productivity advice and guidance to over 150 SMEs in the first instance. The programme will also support the SMEs to implement capital productivity improvements via investment grants of up to £50k.

In addition to the programmes funded from gainshare (Enterprise West Yorkshire, Business Productivity Programme, Innovation West Yorkshire, Business West Yorkshire), the UK Shared Prosperity Fund will also contribute towards supporting businesses including with export / trade support and alternative business models. There is a gap in current provision for a High Growth Start Up programme, and this is proposed as the priority (and an approval is sought later on the agenda for this meeting).

<p>Key outcomes to be achieved: Increase in Start-Ups; Creation of Good Jobs</p>
<p>Proposal: High Growth Start Up Programme</p>
<p>Summary: An evolved version of support as part of Enterprise West Yorkshire including 6 additional start up advisors – total 11 LA advisors. The aim is to increase the number of business start-ups. The scheme also sets targets for and monitors start up survival one year on. The scheme will provide information, diagnostic and brokerage support to businesses, and provide financial assistance to stimulate investment and create jobs. This will include access to a loan fund of £5m, managed by the Business Enterprise Fund, and a grant fund of circa £1.4m managed by the Programme Team. The new programme will fill a gap in the Enterprise WY programme by focussing only on those enterprises with clear high growth potential i.e. 20% annualised growth over three years.</p> <p>The proposed programme will deploy well-established and robust financial management procedures to ensure that expenditure remains on profile</p>

throughout the three-year delivery period. These procedures were used and continually improved throughout the previous three years of ERDF funding, which included several internal and external audits and externally commissioned impact evaluations.

Indicative Potential Funding (scalable): c.£5m

Investment Priority 2: Skills and training for people

Extensions to the Employment Hub and Re:boot have been funded by the Combined Authority using gainshare funding from 2020-21. Since April 2020, CA-funded programmes have assisted over 2,100 new learners towards new qualifications.

The **Employment Hub programme** is delivered by local authorities and delivery partners, supporting people into work, training/retraining, progression support whilst in work and self-employment. The service is accessible remotely or face to face in local communities, job centres, and events across the region. To date the employment hubs have engaged 5,445 participants with support, and the target of 5,500 is projected to be achieved ahead of contract end (March 2023).

The **Skills Connect** programme supports people to re-train and upskill in skills shortage and high growth areas including health and care sector, digital and construction. The delivery period has been extended until 2025 to ensure support remains available amid labour market uncertainty. Over that period, 1,000 people will be supported. There are currently 12 Skills Connect courses live and including Environmental Sustainability and Lean Management, Site Managers Safety Training and Step up to Management in the Health Care sector. To date, the programme has had 332 participants starting courses, 130 individuals completing courses and 75 individuals who have had progressed into new employment opportunities or have increased employment responsibilities following the end of the course.

The next phase of support is proposed to focus on digital and green skills, and employer support.

Key outcomes to be achieved: Reduced levels of digital exclusion; People supported with digital skills; employers supported, and growing; People of all ages developing a greater understanding of future employment opportunities

Proposal: Digital Skills, Green Skills and Employer Support

Summary: Locally delivered support for digital inclusion, targeting the most disadvantaged groups. Support for employers to retrain, retain and attract talent for in-demand skills, ensuring businesses can implement digital solutions and transition to carbon neutral. Ensuring that our workforce has

the skills-base to attract and retain great employers that can flourish and strengthen our economy across the region.

Contributes to IP 4: Tackling the Climate Emergency and Environmental Sustainability

Indicative Potential Funding (scalable): c.£6m

Investment Priority 3: Creating Great Places and Accelerated Infrastructure

Since April 2020, Combined Authority programmes have enabled or completed 3,500 homes, reduced flood risk to 400 homes, and remediated 12 hectares of land.

Three complementary additional programmes are proposed:

Key outcomes to be achieved: Enable and complete new homes, especially within Spatial Priority Areas.

Proposal: Housing Accelerator Fund

Summary: Extension of the existing Housing Revenue Fund (HRF), which has supported 59 projects. An extension would enable a similar number to progress towards delivery. A future capital funding programme would assist with unlocking stalled and unviable sites where public funding is required.

Contributes to IP 4: Tackling the Climate Emergency and Environmental Sustainability

Indicative Potential Funding (scalable): c.£3-3.5m

Key outcomes to be achieved: Creation of good jobs; land remediated and prepared for development

Proposal: Employment Sites Accelerator Fund

Summary: Provision of revenue funding to support project / business case development and feasibility work. Would enable sites to progress towards delivery including feasibility studies, options appraisal, master planning, development appraisal, equality/diversity impact, infrastructure connectivity including renewables and transport. Greater readiness of schemes could also attract further Government funding.

Indicative Potential Funding (scalable): c.£1.5-2.5m

Key outcomes to be achieved: New homes enabled and completed within Spatial Priority Areas; Creation of good jobs; land remediated and prepared for development
Proposal: Delivery Models for Spatial Priority Areas / Future Investment Zones
Summary: Revenue used to support potential delivery routes for Spatial Priority Areas (priority locations for large scale growth and regeneration). Recommended approach for 5 locations: tailored development models utilising a suite of tools such as grants, put options, direct investment, CPO and potential use of Mayoral Development Corporations (MDCs) to suit the requirements of the sites to be developed.
Contributes towards IP1: Good Jobs and Resilient Businesses
Indicative Potential Funding (scalable): c.£1-2m

Investment Priority 4: Tackling the Climate Emergency and Environmental Sustainability

Since April 2020, Combined Authority programmes have delivered nearly 500 retrofits. The Combined Authority has approved the region’s Climate and Environment Plan, which sets out the priority areas for work in order to make progress towards the net zero 2038 target.

The new £1m Energy Price Emergency grants scheme has received over 450 expressions of interest to date from business across West Yorkshire. This has resulted in over 60 applications being progressed, 7 of which have been approved with an average grant per business of just under £4k. Retail, leisure and hospitality sectors have collectively seen the highest number of applications, with manufacturing a close second. The scheme will run through to the end of March 2023 at which point the new £10.5m Business Sustainability Programme will commence, providing a more comprehensive package of advice and funding to implement net zero related improvements to businesses.

There are five projects proposed for development, identified as priorities from the Climate and Environment Plan, alongside two other projects captured under IP1 and IP2 (business support and skills):

Key outcomes to be achieved: Reduction in CO2 emissions; Reduction in number of households in fuel poverty; Increase in energy efficiency of homes; Reduction in energy costs for residents.
Ambition to deliver 7,000 – 13,000 retrofits and medium-term improvement plans to 2038

Proposal: Better Homes Hub
Summary: Regional retrofit hub: Projects minimum of 5 locations (aiming to test, learn and scale). Residential advice service (all tenures) providing residents / landlords with information, whole house planning services and signposting to funding options.
Contributes towards IP2: Skills and Training
Indicative Potential Funding (scalable): c.£10-13m with a mix of revenue and capital

Key outcomes to be achieved: Increase in local clean energy generation; Reduction in CO2 emissions; Reduction in number of households in fuel poverty; Increase in energy efficiency of buildings; Reduction in energy costs for residents, schools and councils.
Proposal: Solar
Summary: Solar on school buildings, solar for social homes working with West Yorkshire Housing Partnership, group buying scheme for West Yorkshire residents. Solar on CA and LA assets and land). Could deliver c.50 Solar for Schools installations. Solar & batteries on 1,000 – 2,000 homes. Solar on 8 bus stations.
Contributes towards IP2: Skills and Training
Indicative Potential Funding (scalable): c.£7-10m with a mix of revenue and capital

Key outcomes to be achieved: Reduction in CO2 emissions; Reduction in number of households in fuel poverty; Increase in Green / Blue infrastructure
Proposal: Supporting neighbourhood level initiatives
Summary: Grant programme (Grants of up to £50,000) to support disadvantaged communities to implement low carbon interventions and improve climate readiness (includes tree planting). Targeting at least one community in each of the five West Yorkshire districts through existing local authority networks and connections.
Contributes towards IP3: Creating Great Places and Accelerated Infrastructure
Indicative Potential Funding (scalable): c.£2m revenue plus potential to unlock additional investment when used as match

Key outcomes to be achieved: Reduction in CO2 emissions; Increase in local clean energy generation
Proposal: Local Area Energy Plans
Summary: Data driven plan setting out the most effective route for the local area to plan local energy system and built environment changes. If developed, then has potential to attract funding from the private sector. Could include Hydrogen Use Business Case, which understanding production capabilities/routes, distribution and storage infrastructure required and the potential utilisation or need for hydrogen.
Contributes to IP3: Creating Great Places and Accelerated Infrastructure
Indicative Potential Funding (scalable): c.£0.5 - 2m

Key outcomes to be achieved: Enhanced flood resilience for homes and businesses; Carbon sequestration; Biodiversity and habitat improvement e.g. trees, hedgerows, soil aeration, peat restoration; Improving access to green space
Proposal: Natural Flood Management
Summary: Programme to address funding gaps for 9 strategic Natural Flood Management projects.
Contributes to IP3: Creating Great Places and Accelerated Infrastructure
Indicative Potential Funding (scalable): c.£7m (potential capital)

Investment Priority 5: Delivering Sustainable, Inclusive and Affordable Transport

Our ambition for the transport system is to connect people with opportunities (for work, education and leisure) in a way which is sustainable, affordable, and helps to tackle inequalities. A near term pipeline (2021-2025) was published [as part of the draft Connectivity Infrastructure Plan](#) in January 2021 showing schemes in current delivery programmes. Since publication, other funding has been secured to support delivery of the Plan, including **Zero Emission Bus funding, City Region Sustainable Transport Settlement** and **Active Travel Fund**.

Major programmes in this area that will require large scale investment include West Yorkshire Mass Transit, and bus reform. The scale of investment required means that it is likely that the Combined Authority will need to borrow in order to make the progress necessary to achieve our objectives. Depending

what decisions are made about the future of bus reform, and the future funding model, it is likely to require sums in the hundreds of millions, which will absorb much of the Combined Authority’s capacity for borrowing.

Additional revenue funding is required to support bus reform work, and is shown here:

Key outcomes to be achieved: Mode Share: increased bus patronage; reduction in car trips; simplified fares; Improvement in Accessibility Inequality Ratio (access to good jobs by public transport)
Proposal: Revenue Support for Bus Reform
Summary: Assessment of options to bring buses into public control – from Enhanced Partnership to Franchising. Future costs will be dependent on the option taken forward.
Indicative Potential Funding (scalable): c.£4-6m

Investment Priority 6: Culture and Creative Industries

The Combined Authority has approved a Cultural Framework which sets out the ambitions for culture in the region, and approved funding to support the region’s cultural festivals, including funding for the Kirklees Year of Music and Leeds 2023.

Further packages are proposed for further development, to support the other cultural festivals including Bradford UK City of Culture 2025, and to increase the number and diversity of people engaging with, and working in, culture and the creative industries. This list is not exhaustive but provides examples of the work that is proposed for the CA to develop further.

Key outcomes to be achieved: Increase in number and diversity of people working in our creative industries, heritage and sport sectors;
Proposal: Culture Festivals: Leeds 2023, Wakefield 2024, Culturedale 2024, Bradford UK City of Culture 2025
Summary: Funding cultural activities as part of a Creative Crucible for West Yorkshire comprising festivals in every local authority, culminating in Bradford UK City of Culture 2025. Focus on widening participation.
Contributes to IP1: Good Jobs and Resilient Businesses
Indicative Potential Funding (scalable): c.£2.5m-£5m (plus further investment from future years)

Key outcomes to be achieved: Increase in number and diversity of people working in our creative industries, heritage and sport sectors;
Proposal: Culture Business and Skills Package
Summary: To support the growth, sustainability and knowledge-sharing capacity of businesses (including SMEs and freelancers) within the Creative Industries, Heritage and Sport sectors, and to provide tailored Skills training and development pathways to meet the skills shortage, and increase diversity within these sectors (including Creative Catalyst and Sport Catalyst, and the Mayor's Screen Diversity Programme).
Indicative Potential Funding (scalable): c.£0.5-£1.5m

Key outcomes to be achieved: Increased engagement with culture, heritage and sport improves health and well-being outcomes.
Proposal: Culture People and Place Package
Summary: To support community-led Culture, Heritage and Sport activities that deliver on CHS Framework outcomes, including increasing participation and diversity, building community cohesion, and health and wellbeing outcomes, with a focus on social prescribing activities that will leverage additional funding from the NHS.
Indicative Potential Funding (scalable): c.£0.5m

Key outcomes to be achieved: Increased Visitors to West Yorkshire; Increased employment in tourism and culture sectors
Proposal: West Yorkshire Tourism
Summary: To fund development of West Yorkshire Local Visitor Economy Partnership, including plan development, market research, data insight, campaigns, business grants, with a view to creating a Destination Development Partnership.
Indicative Potential Funding (scalable): c.£0.5m

- 2.21 Detailed outputs and outcomes, including quantification of impact, will be set out in relevant business cases as proposals progress through the assurance framework.
- 2.22 Subject to the Combined Authority's approval, it is proposed to continue development of the programmes set out in order to achieve the outcomes specified. Programmes will be formally brought forward for approval when they are at the appropriate stages of development.

- 2.23 It should be noted that, whilst Gainshare could be used to fund the delivery of the programmes set out above, it is not the only source of funding. One of the principles of the SIF, which the Combined Authority has agreed, is that Gainshare should be the funding of “last resort” i.e. other sources of funding should be used to deliver the programmes where possible. Therefore, this paper is not seeking approval of funding for these programmes at this stage. Instead, the programmes will be developed then funding approvals sought at the appropriate time.
- 2.24 It should also be noted that the programmes set out above are scalable, and can be increased or decreased in scale, scope and impact depending on the level of funding available and the priority given to the programme.
- 2.25 Once pipelines have been developed and the future capital funding requirements is understood, further work will be undertaken regarding how future gainshare allocations could be used to enable borrowing. This will enable the region to reap the benefits of having negotiated a large proportion of the gainshare as revenue.
- 2.26 The Combined Authority is also taking forward the delivery of schemes using capital funding available and will continue to explore ways of increasing our capital programme, for instance:
- Exploring capital contributions to our retrofit programmes through the Better Homes Hub and also for investment in Solar
 - Using the CA’s funding to leverage other capital sources for flooding infrastructure
 - Consider Inward Investment and regeneration proposals on a case-by-case basis – the creation of a framework for assessing what to invest in is being developed.
 - Funding future Digital Infrastructure to be funded from “digital gainshare”
- 2.27 The Combined Authority will also continue to explore potential alternative sources for hydrogen use case, the balance required for Local Area Energy Plans, and explore alternatives for delivery of programmes requiring revenue including SME Knowledge Transfer and SME Graduate Pilot.

Evaluation

- 2.28 Activity funded under Devolution is subject to a Gateway Review process every 5 years, upon which future funding is contingent. The purpose of the review is to assess progress and evaluate impact. As well as developing learning and evidence, this is a crucial part of the Combined Authority’s accountability for public funds and provides assurance to Government that we can demonstrate a return on investment under Devolution. Prior to becoming a Mayoral Combined Authority, the Combined Authority undertook this process in 2019 as a requirement of funding under the Cities and Local Growth Fund (or Growth Deal). For the 2024 Gateway Review, both the Growth-Deal and

Devolution-funded activity will be subject to review (and it is likely that two separate reviews will be required to reflect the distinct timelines and scope of each fund and associated delivery).

- 2.29 The Department for Levelling Up, Housing and Communities have contracted consultants, SQW, to support and facilitate the Gateway Review Process. SQW have developed a National Evaluation Framework, and will also work closely with local areas and MCAs to develop Local Frameworks with which this is aligned. In turn, the local frameworks will set out the approach to the evaluation of the Growth Deal (specifically the West Yorkshire+ Transport Fund) and Gainshare, respectively. Resource will be required to commission each of these evaluations, in addition to that required for individual scheme/programme level evaluation activity. The Local Evaluation Frameworks are required to be submitted by the 28th April 2023 (Growth Deal) and 26th May (Devolution), following internal sign off and review by SQW, who will submit them to Government.

Capacity Funding

- 2.30 In January 2022, the Combined Authority approved capacity funding for the five local authorities and the Combined Authority, totalling £11.4m over the financial years 2022/23-2024/25. This was because significant capacity restraints across the region had been identified. This capacity was, and remains, required within both the Combined Authority and the Local Authorities in order to develop a comprehensive pipeline of schemes and interventions to meet the ambitious collective priorities and objectives and ensure key outcomes are met. Robust pipelines are not just important to maximise future gainshare and to identify future borrowing needs, but are also key to ensure the region is in a strong position for future external funding, further devolution and government spending rounds.
- 2.31 The £11.4m was split equally between the five Local Authorities and the Combined Authority, with flexibility to spend across the three years in the most appropriate way for the organisation.
- 2.32 Since then, the financial position of each of the five local authorities of West Yorkshire has worsened, through a combination of increased demand, inflation, and the impact of the Russian invasion of Ukraine on energy prices. In order to ensure that there continues to be sufficient capacity to support the development of pipelines alongside the delivery of core services, it is now proposed to allocate in principle an additional £5m per year in 2023-24 and 2024-25, to be shared across the five local authorities and distributed by head of population. If the Combined Authority approves this in principle, then formal approval of the funding will progress through the Combined Authority's Assurance Framework.

3. Tackling the Climate Emergency Implications

- 3.1 Climate and the Environment is at the heart of the SIF and WYIS as a key investment priority. In addition, all programmes will consider the carbon impacts as they are developed and taken through the Assurance Process.

4. Inclusive Growth Implications

- 4.1 Inclusive growth is core within the Investment Priorities of the West Yorkshire Investment Strategy to ensure everyone benefits from the investments made across the region. As such the schemes which are brought forward will be assessed to ensure they have considered the inclusive growth implications.

5. Equality and Diversity Implications

- 5.1 Reducing inequality is a cross cutting theme within the Investment Priorities of the WYIS to ensure that investments made across the region support equality and diversity. Equality Impact Assessments will be undertaken as part of scheme development to ensure that at schemes progress through Assurance Framework equality, diversity and inclusion is given due regard.

6. Financial Implications

- 6.1 An approval in principle for capacity funding is sought. This would be drawn from the Single Investment Fund, and is subject to confirmation through the Combined Authority's Assurance Framework.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 The additional funding would allow for increased capacity within Local Authorities. Further details will be provided and approved, as the project passes through the Assurance Framework.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Combined Authority endorses the proposed direction of the programmes for development set out above. Funding allocations and approvals to spend will be considered as programmes become ready. Any proposals to be brought forward will be progressed in line with the Combined Authority's Assurance Process.
- 10.2 That the Combined Authority indicatively approves in principle £5m funding per year from the Single Investment Fund to Local Authorities to support

capacity issues and enable pipeline development work to be undertaken against the Investment Priorities. Full approval will be granted once the project has progressed through the assurance process in line with the Combined Authority's Assurance Process.

- 10.3 That the Combined Authority delegates to the Finance, Resources and Corporate Committee, the approval for programme to pass through Decision Point 2, totalling no more than £10m of funding from the Single Investment Fund.

11. Background Documents

Combined Authority Paper of 3rd February 2022

12. Appendices

Appendix 1 – Single Investment Fund Resources

Appendix 1: SIF Resources

The design of the SIF recognises the different levels of funding flexibility which will need to be taken into consideration in terms of their usage. The funding included in the SIF is as follows:

- **Flexible Funds**
 - £38m per year for 30 years – gainshare (25% capital, 75% revenue)
 - Funding available to the Combined Authority through its ability to raise money
 - Some ‘unencumbered’ capital receipts (such as proceeds from asset sales).

- **Ringfenced for a set purpose - but flexibility in deployment**
 - Brownfield Housing Fund £89m (5 year)
 - Adult Education Budget £42m 2021-22, thereafter £65m per annum
 - £3.2m to develop a pipeline of housing sites
 - £5m Social Housing Decarbonisation Fund (SHDF)
 - Enterprise Zone receipts (est. £2.3m)
 - Intra-City Transport settlement (£7.4m)
 - City Deal Transport Fund £81.8m (4 years)
 - Some capital receipts (including repaid Growing Places Fund) (est. £21m).
 - Potentially, future Mayoral precept receipts, if introduced
 - UK Shared Prosperity Fund – (£83m)

- **Ringfenced – for a set purpose and projects are pre-determined.**
 - £317m to invest in public transport, cycling and walking through the Transforming Cities Fund, with local flexibility on delivery
 - £25m for development of a British Library North
 - £75,000 to support the West Yorkshire Local Digital Skills Partnership
 - Transport Fund gainshare (from 21/22 £30m for the next ten years, plus WY+TF Reserve (£38.3m plus annual Transport Levy contrib of est. £5.2m p.a).
 - £830m City Region Sustainable Transport Settlement (CRSTS) funding (over five years from 2022/23 to 2026/27 with £13.9m development revenue funding for the first three years), including:
 - Highways/pothole monies (est. £30m)
 - Local Transport Plan (est. £13.1m)
 - £24.5m Zero Emissions Bus Regional Areas (ZEBRA)
 - £41m Levelling Up Fund 2 – Bus enhancement

Future external capital and revenue funding is expected to be added over time.

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Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: Bus Service Funding Update

Director: Dave Pearson, Director of Transport Operations and Passenger Experience

Author: Dave Pearson, Director of Transport Operations and Passenger Experience

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1 The accompanying report on this agenda sets out the proposed budget and business plan for 2023/24 and identifies that bus service costs are a major area of risk and uncertainty in the forthcoming financial year. This report seeks to update the Combined Authority on current issues affecting bus services in West Yorkshire and the actions to be taken to mitigate these risks and issued in 2023/24.

2. Information

Current Status Of Commercial Bus Services in West Yorkshire

- 2.1 Since bus deregulation in 1984, most bus services in West Yorkshire operate on a commercial basis with the Combined Authority (as Local Transport Authority (LTA) seeking to facilitate co-ordination between commercial operators, commissioning those services which would not operate on a commercial basis, providing concessionary fares, and managing bus service facilities and assets.
- 2.2 Changing travel habits during and since the pandemic have had a significant impact on bus use which is now at 83% of pre pandemic rates. Since April 2020, bus services have been financially supported by Government grant and by LTAs including the Combined Authority maintaining payments at pre pandemic rates despite the reduction in patronage.

- 2.3 Reduced farebox revenue, reliance on short term public sector financing, a diminishing workforce and rising fuel, labour and other costs have all impacted on the viability of commercial bus operations. This has led to service reductions and withdrawals and issues with reliability and punctuality.
- 2.4 The current Government funding ends in March 2023. At the time of writing, Government officials were advising that an announcement of a 2023/24 funding package for bus services was imminent but the value and nature of this is not known. This uncertainty is leading many bus operators to consider further service withdrawals at the end of March 2023. The Deputy Chair of Transport Committee with responsibilities for bus, Cllr Carlill, has been meeting bus operators and a verbal update on the outcome of these discussions will be provided to the meeting.

Bus Service Improvement Plan

- 2.5 The Combined Authority submitted its Bus Service Improvement Plan (BSIP) to the Department for Transport (DfT) in October 2021. The development of the Bus Service Improvement Plan, which sets out our ambitious vision and plan for improving local bus services, was a requirement of the 'Bus Back Better: The National Bus Strategy for England' (2021).'
- 2.6 The Combined Authority has received confirmation of £69,974,070 of funding to be managed through an Enhanced Partnership with bus operators. The Combined Authority meeting in October 2022 approved expenditure on BSIP and delegated delivery to the Transport Committee. The table below sets out the programme areas and spend:

Funding area	Schemes and interventions	Revenue cost (£m)
Clear and simple fares	<ul style="list-style-type: none"> • 'Mayors Fares' subsidy. • Business to customer sales and marketing. • Business to business sales. 	36.9
New and improved services	<ul style="list-style-type: none"> • Evolution and growth of the bus network. • 'Superbus' town network enhancements. • Service innovation – Demand Responsive Transport and Mobility Hubs. 	30.9
Supporting bus priority and safety	<ul style="list-style-type: none"> • Improvements to coordination of bus, urban traffic and passenger information. • Enhanced Safer Travel Partnership with the WY police. 	2.05
Total revenue costs:		£69.9m

2.7 Delivery of the BSIP forms a major element of the Combined Authority’s business plan for 2023/24 as set out on the accompanying report on this agenda. The capped “Mayor’s Fares” initiative was launched in September 2022 and growth in bus use has been observed through the autumn period. Work in progress on developing a bus Network Development Plan will be presented to the February Transport Committee however the delivery of this plan is challenged by the current uncertainty around Government funding and any consequential impacts on service provision.

The Combined Authority’s Expenditure on Bus Services

Provision of socially necessary bus services

2.8 The 2022/23 budget contains £16.6m to fund the provision of socially necessary bus services. This is broadly broken down as follows:

Socially Necessary Local Bus Services	£14.1m
School Bus Services (net of revenue and contributions by Councils and other parties)	£2.6m
AccessBus	£2.3m
BSOG – Government Grant /other	-£2.4m

2.9 A report to the 22 July meeting revised the forecast expenditure on bus services and approved the transfer of £2.1 million from the concessionary fares budget to accommodate increased spend arising from inflationary adjustment of contracts together with re procurement of contracts which have resulted in increased costs of 8-10%. A further subsequent virement of £0.992m was approved in September largely as a result of the business failure of CT Plus. Whilst spend in 2022/23 can be contained with the budget and subsequent grants and virements, the current situation is providing pressure on spend in 2023/24.

2.10 As stated in the accompanying paper setting out the proposed 2023/24 budget, assumptions have to be made regarding the various factors which will impact on bus service expenditure in 2023/24. These can be summarised as follows:

- Expenditure in 2022/23 has been supported by Government funding of £4m. As stated earlier in this report, uncertainty remains as to whether Government funding support will be made available to the Combined Authority and bus operators beyond end March 2023.
- If there is no funding then the Combined Authority must absorb the additional service costs which have emerged since the pandemic. Commercial bus services will be withdrawn leading to communities will look to the Combined Authority to secure a reinstatement of service.
- A partial or full retention of Government funding may ameliorate these impacts however inflationary pressures together with reduced capacity

in the bus industry show no sign of abating. Recent tender procurements have resulted in cost increases of around 30%, and in some cases, no bids returned. If this rate of increase is applied across the budget with no increase in income, the additional costs are of the magnitude of £7m pa.

- Throughout the pandemic bus service contracts were extended by mutual consent with the contracting operators as market conditions were not conducive to procurement and the CA would run the risk of tender prices with high level of risk contingency. There is therefore a significant number of contracts (valued at approximately £5m pa) which will expire early in 2023/24 which will necessitate a phased programme of procurement over the coming financial year. This is in addition to the process of renewing school transport contracts.
- Finance, Resources and Corporate Committee in July 2022 approved the creation of an earmarked reserve for public transport support in response to the current volatility in the bus sector. Given the uncertainties outlined above, it is expected to be necessary to draw on this in 2023/24 to maintain a balanced budget however, moving forward, it will be necessary to look at options which stabilise the spending position.

2.11 A number of workstreams have started to support the stabilisation of spending in this area;

- The process to re-procure current bus services will need to ensure that each service is delivering against the Combined Authority's Bus Service Improvement Plan in a form which delivers best value. Current utilisation of services will be examined to ensure effectiveness and that the costs are delivering social benefits.
- School transport services have been a major element of cost escalation in 22/23. Broadly the Councils and Academy Trusts meet the costs of carrying pupils for whom they have a statutory responsibility to provide transport together with some services that are necessary to support the local admissions policy. The CA funds the operation of buses where it is not possible for pupils to use the general bus network to get to school; there are many schools where the distribution of the catchment area does not correlate well with the bus network. A process is underway to identify CA funded services which are not carrying enough pupils to represent value for money with a view to their withdrawal, absorbing passengers onto other services or increasing charges. This will take place over the spring/ summer ahead of withdrawing services from the start of the academic year should this be required. Engagement with schools and Councils commenced on 23 January 2023. A renegotiation of cost sharing with Councils and Academy Trusts is also underway.

- As costs increase and the capacity of the bus industry reduces, it is becoming clear that the current process to procure bus services requires a major overhaul. Deloitte have been commissioned to advise on how these processes can be modernised and a commercial procurement strategy developed to ensure the CA can obtain the best outcomes from a changing bus market.

Concessionary Fares

- 2.12 The provision of free bus travel for older and disabled people (the English National Concessionary Travel Scheme) is a statutory requirement, currently costing almost £40 million per annum. Following Government advice, LTAs have been reimbursing bus operators based on pre pandemic passenger journeys and rates with deductions made for mileage not operated in 2022/23 that was operated in 2019. This has enabled the surplus which has offset cost growth to date. It is intended to transition back to using actual passenger journeys and update reimbursement rates per journey in 2023/24.
- 2.13 Use of the free concessionary travel scheme for older and disabled people continues to lag behind adult bus travel and, in November and December 2022, was only 67% and 62% of the same months in 2019 respectively. Whilst this presents a potential reduction in costs, it should be noted that reimbursement rates have not been reviewed since before the pandemic and operators are expected to make a case for an increase due to the economic changes they have been facing. The proposed budget for concessionary fares has been developed following sensitivity testing of various outcomes in terms of passenger demand and reimbursement rates.

Bus Improvement and Reform

- 2.14 The Bus Service Improvement Plan expenditure will seek to adapt the wider network to be responsive to the changing patterns of employment and travel. Maintaining and supporting the recovery of the current network is also key and, whilst BSIP spend and “business as usual” spend will be kept separate, it will be necessary to ensure they are complimentary and that the BSIP funded activities deliver a financially sustainable network in the future.
- 2.15 In 2023/24 the Combined Authority will consider the assessment for bus franchising which may offer a longer term solution to the challenges set out in this report. The emphasis in 2023/24 should be supporting a positive recovery from the economic impacts of recent years to enable a sound platform on which to build a tangible improvement in the network.

3. Tackling the Climate Emergency Implications

- 3.1 A key aim is to enable people to travel by sustainable modes in order to tackle the climate emergency.

4. Inclusive Growth Implications

- 4.1 The deployment of funds to support bus service provision will seek to protect services to communities, particularly those area of high deprivation, in order to support the region’s inclusive growth ambitions.

5. Equality and Diversity Implications

- 5.1 Supporting Equality and Diversity through ensuring the transport is attractive, inclusive and accessible for all is a key objective.
- 5.2 An Equality Impact Assessment will be undertaken for any actions by the Combined Authority which have a significant impact on service provision.

6. Financial Implications

- 6.1 This report provides context to the accompanying report proposing the Combined Authority’s budget for 2023/24

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Combined Authority notes the actions being taken to manage bus service costs in 2023/24

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.



Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **Adult Education Budget Rates**

Director: Philip Witcherley, Interim Director of Inclusive Economy, Skills and Culture

Author: Lindsey Daniels, Adult Education Budget Manager

Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1 To update the Combined Authority on progress with devolved Adult Education Budget (AEB).
- 1.2 To seek approval for an increase to the AEB Funding Rate. The proposal has been recommended by the Employment and Skills Committee.
- 1.3 To seek approval for the proposal regarding Residential Uplift funding.

2. Information

- 2.1 The devolved Adult Education Budget (AEB) is targeted towards individuals who have low level skills and/or are unemployed or on a low wage. The fund is £66.4 million for academic year 2022/23. It supports learners through a range of programmes and access points, supporting them to increase their skills, and connecting them to further learning and employment opportunities.
- 2.2 The delegated Free Courses for Jobs funding (£5.5 million in academic year 2022/23) is managed alongside AEB, given the significant alignment. This funding supports level 3 (A level equivalent) courses only, with courses approved centrally by the Department for Education.

Impact of WY AEB in 2021/2022

- 2.3 Through the devolution of funds, the Combined Authority aims to continuously improve the impact of the investment of funding. This includes focussing the funds on disadvantaged areas and individuals most in need of support, i.e., with low or no qualifications, unemployed, on low wages. The aim is to make incremental improvements to the impact that the fund has on West Yorkshire residents and the economy.
- 2.4 The West Yorkshire devolved AEB programme supported 46,000 learners (43,000 individual residents) during the academic year. This is an increase in the number of individual residents engaged of 7% on the previous year.
- 2.5 The number of providers delivering AEB in West Yorkshire was reduced from 259 to 38 allowing for a closer and more strategic relationship.
- 2.6 Several changes to the funding rules were made, alongside targeted commissioning – this has prioritised and targeted funding on the most disadvantaged residents and sector priorities.
- 2.7 West Yorkshire’s learner profile was more diverse than nationally – 52% of learners were from a non-white ethnic minority in West Yorkshire compared with 36% nationally for the same period.
- 2.8 West Yorkshire’s learner profile was also more diverse compared with the previous year: the proportion of non-white ethnic minority learners increased from 42% to 52%. The proportion of learners with a learning difficulty / disability /health problem also increased slightly from 16% to 17%.
- 2.9 There was a stronger focus on digital skills – the number of enrolments on digital courses grew by 60% in 2021/22 compared with the previous academic year, to over 4,000.
- 2.10 There was a strong focus on disadvantage:
- 6,600 enrolments funded through AEB (12% of the total) were for people on a low wage
 - the proportion of learners who were out of work increased from 58% to 63%
 - The proportion of learners from the most acutely deprived neighbourhoods increased from 37% to 41%.
- 2.11 There was an increased targeting of people with no qualifications or existing skills and qualifications at the lowest level and also focus on promoting progression:
- Enrolments on basic skills courses increased by 34% year on year with a 60% increase for ESOL enrolments

- The proportion of learners with no qualifications or qualified at Entry level only increased from 47% to 54%
 - For 43% of learners their course offered progression i.e. they undertook a course with a level higher than their prior attainment.
 - 11% of Community Learning learners progressed to an Adult Skills course during the academic year.
- 2.12 A full End of Year report and reflection on the impact of the first year of devolution will be published in the Spring.

Delivery update 2022/2023

- 2.13 We have seen a positive uptake in delivery at the start of 2022/23. The impact of the pandemic on learner confidence and enrolments seems to be reducing, with most providers ahead of their delivery profiles.
- 2.14 Feedback from providers on the initial impact and uptake on the new flexibilities is positive, although more will be seen as they 'bed in'. Early signs of positive intervention can be seen in the data, e.g. the substantial increase in the uptake of the digital entitlement. We will continue to monitor and analyse the impact of the range flexibilities.
- 2.15 The Free Courses for Jobs delegated fund remains challenging to deliver, and additional procurement is likely in the new year to maximise utilisation. There has, however, been an increase in uptake. Current activity is already forecast to exceed the funding value utilised in 2021/22, considering the enrolment from only the first 4 months of 2022/23.
- 2.16 The Community Learning Review is now complete and aims to provide a report in Spring 2023. The findings of the report will be taken to the Employment and Skills Committee.

AEB Funding Rate Increase

- 2.17 Devolution of AEB allows the region to set its own priorities for funding and allows WYCA to align spending on skills to the opportunities and needs in the local economy. While much national reporting focuses on learner numbers and participation, devolution presents an opportunity to focus more on the impact that learning interventions have, and how they support residents to maximise their potential and move forward in life. This is a clear ambition of the WY AEB Strategy, and the Combined Authority will need to work with providers to improve data collection in order to support this.
- 2.18 As seen in the impact stated in 2.11 to 2.22, the Combined Authority has been proactive in targeting funding on residents most in need, and in prioritising funding on our economic priorities (digital skills, increasing level 3 skills, tackling acute skills shortages).
- 2.19 This proposal was taken to the Employment and Skills Committee, where it was recommended for approval. Representatives of the education and training

sector pressed the concerns that the low funding rates are impacting on the quality of provision that learners received. Organisations are struggling to recruit suitably qualified staff to deliver programmes, given the stagnation in funding rates over many years. Cost of delivery increases will exacerbate this if the lack of investment is not addressed and could lead to closure of provision due to lack of viability. The proposal was seen as a positive step to maintaining quality opportunities across West Yorkshire Communities.

2.20 Rationale for rate increase:

- That the AEB funding rate has not increased in ten years, and the budget overall has fallen
- That the current economic situation is dramatically increasing operating costs, and this is affecting quality.

This is impacting on the quality of learning that providers are able to deliver.

2.21 Similar approaches and considerations have been made by other MCAs. To date, the following positions are being considered:

- Greater London Authority has approved a 13.5% increase to all learning at GCSE level and below, linked to quality improvement
- Greater Manchester is considering a one-off payment for cost of delivery increases
- West Midlands had agreed a 5% uplift to all aims, and recently announced an increase to 10%
- Cambridge and Peterborough MCA is considering a 10% increase to priority aims only

2.22 A range of options have been explored and considered:

- a. Continue only with national lobbying
- b. Provide a 5% overall rate increase with higher weighting for strategic priorities
- c. Provide a 10% increase
- d. Provide growth alongside a rate increase to combat any pause in learners

2.23 Several considerations have been taken into account throughout consultation on these options:

- a. The WY AEB pot is finite. A rate increase for providers means that the same value of funding spreads across fewer learners. We cannot afford to increase provider allocation in line with the rate increase. Decisions need to be taken in the full knowledge that the WY AEB is unlikely to see an increase in the immediate future – although this is a national lobbying issue for the mayor, particularly as chair of the M10 group.
- b. A considerable concern regarding the rate increase centres around the potential to impact on residents' ability to access courses. As above,

any increase in the funding rate will reduce the number of learners who can be supported through the fund. Currently AEB supports around 43,000 people per annum, this is in the context of iro 70,000 West Yorkshire residents per annum who receive skills and employment support through Combined Authority led programmes.

- c. It is difficult to forecast the exact impact on learner numbers a rate increase would have. A crude estimation is that a 10% increase would reduce learners by 10%, therefore iro 4,600 per annum. This does not, however, recognise that Community Learning numbers will be unaltered, given the different funding methodology. Learner numbers are also affected just as easily by the length of the programmes undertaken (and therefore higher in value), or the number of programmes a single learner undertakes. It is therefore sensible to focus less on participation itself, and more on the impact of learning on residents, alongside the opportunities available for residents to access learning.
- d. The Combined Authority has already taken demonstrable steps to target and increase funding available for learners on priority aims (e.g., all age level 2 entitlement, digital entitlement, full funding for refugees, increasing the low wage threshold). These changes have, in effect, doubled the funding per learner to undertake these qualifications.
- e. In West Yorkshire we have been clear on the need to focus the funds on the most disadvantaged residents. Providers have responded to this, as can be seen in paragraphs 2.3 - 2.12. In addition to this, the introduction of a range of DWP programmes in recent years has changed the make-up of the Adult Education Budget cohort. Providers are supporting more individuals with complex needs, and many who are further from the job market.
- f. Given the timing, and the fact providers are already ahead of their delivery plans, any decision to increase the funding rate is likely to result in providers 'running out' of AEB towards the end of Spring, unless they pause/reduce recruitment throughout the year.
- g. Applying a rate increase at the point of decision-making (as opposed to back-dating it to cover the full academic year 2022/23), may impact unfavourably on providers that are providing longer, substantial programmes (e.g. vocational programmes that build career pathways). A substantial proportion of AEB enrolments have already been undertaken for the year.
- h. We are becoming increasingly aware of cost-cutting measure being undertaken by some providers, e.g. to considerably reduce teaching hours relating to qualifications (e.g. in the most severe cases delivering content in 10% of recommended hours). It is imperative we address this trend and support quality learning opportunities for our residents.
- i. Providing an increase to Level 3 programmes provides a complexity and disparity in the market, as the Combined Authority does not have the autonomy to change the rate of the Free Courses for Jobs funding.

- 2.24 Option A recognises that AEB is a finite pot, and this is a national issue, not a West Yorkshire specific one. However, it is considered that where we can take local action, we should make full use of the levers that we have due to the devolution of adult skills funding.
- 2.25 Option B is considered to not to fully address the concerns regarding affordability of quality of provision for all learners. The Combined Authority has already taken measures to prioritise strategic aims (e.g. digital training, first level 2s, sector specific training), and continues to do so through the Responsiveness fund. A rate increase should address the 10 year stagnation of funding rates and disinvestment in the adult skills system. A rate increase should therefore ensure sufficient wrap around support for **all** learners, supporting their retention on programme, achievement of their course and ultimately, an impact on their life prospects.
- 2.26 The recommendation is to combine Options A, C and D:
- a. Provide a rate increase of 10% applied retrospectively to all enrolments at level 2 and below for 2022/23 (formula funded only)
 - b. Provide an increase to all providers who are performing, which aims to reduce the impact on their recruitment plans, as stated in paragraph 2.23f.
 - c. Continue to lobby nationally for an increase in devolved adult skills funding
 - d. Strengthen the AEB funding rules to address 'cost-cutting' tactics employed by some providers and ensure that the rate increase is aligned to improved impact for learners, including wrap around support and achievement rate increases.
- 2.27 The rate increase outlined in 2.26a should be reviewed in the event of any future changes that the DfE may make to AEB funding rates, in line with their Skills Fund consultation.
- 2.28 As noted in 2.26b, there is an opportunity to provide an increase to providers who are performing, which aims to reduce the impact on their recruitment plans. A 5% allocation growth to all providers would utilise an estimated £3 million of the available responsiveness and growth pot. This would significantly limit any growth process planned for R07 (outlined in the Performance Management rules), but would mitigate the concern that provision may cease and be closed to residents. Funding will be retained for responsiveness to tackle upcoming economic challenges.
- 2.29 Ultimately the Combined Authority must continue to improve data collection and analysis in order to change the measure of funding performance to the impact on residents, and not simply participation. The team will work with the provider base to mitigate the change that the any funding rate increase makes on course availability and ensure that opportunities remain open for residents to access high quality, impactful training throughout the year.

- 2.30 The Combined Authority is asked to approve the proposal to increase the AEB rate in line with 2.26.

Residential Uplift Funding

- 2.31 Residential Uplift funding has been under national review by the Department for Education for 2 years. This element of the national AEB rules was adopted in West Yorkshire during the implementation of the devolved Adult Education Budget.
- 2.32 This funding provides a 4.7 weighting to each qualification delivered for residential provision (effectively, a provider is paid 470% of the published funding value). Given constraints on AEB funding, there is an underlying concern about the value for money of this provision, the parity of funding across provision and the appropriateness of the methodology.
- 2.33 This funding is accessed by only one West Yorkshire AEB Provider: Northern College. Northern College was commissioned to deliver AEB in West Yorkshire as part of the WY AEB Strategy as a 'route 2' wider Leeds City Region Grant Holder. The residential uplift affects less than half of their allocation, with 54% of their allocation funded through Community Learning.
- 2.34 The provider is situated in Barnsley and engages well with priority demographics. Courses delivered prepare learners to re-enter education, gain employment or make a career change through immersive residential learning and specialist support. Non-residential access is also available.
- 2.35 The Combined Authority has considered the following options, in light of the demands on a constrained budget:
- a. **Option 1: Do nothing.** Maintain the national position and wait for a ministerial decision. Emulate the DfE approach once decided.
 - b. **Option 2: Fully commit.** Adopt the residential uplift long term. While beneficial for the one provider, this does not address concerns regarding value for money and parity of funding.
 - c. **Option 3: Fully decommit.** Remove the residential uplift from 2023/24 onwards without a transitional model. This is likely to have significant impact on the provider's financial outlook and ongoing operation, which is likely to affect opportunities for residents.
 - d. **Option 4: Decommit to a new model.** Remove the uplift in 2024/25. In the transitional year, develop a new methodology which reflects value for money alongside investing in disadvantaged communities.
- 2.36 Option 4 is recommended (2.34d) in order to maintain a level of stability for the provider and residents who access the programmes, while also providing a clear decision and timeline for action. This action aligns to South Yorkshire MCA's current commitment to the residential uplift and would allow us to work collectively to explore of a consistent methodology which meets both organisation's strategic objectives and reflects value for money from public investment.

2.37 The Combined Authority is asked to approve the proposal regarding residential uplift funding.

3. Tackling the Climate Emergency Implications

3.1 There are no climate emergency implications directly arising from this report. However, in the plans to support “green skills” through the responsiveness pot, there is an opportunity to grow the skills base required in order to tackle the climate emergency.

4. Inclusive Growth Implications

4.1 The overall aim of AEB funded provision is to support those citizens who have a skills deficit and need to access learning opportunities to progress them towards further learning, employment or a better way of life.

5. Equality and Diversity Implications

5.1 AEB is targeted towards individuals with low skills and who are unemployed. The funds frequently support underrepresented groups through training provision.

5.2 An Equality Impact Assessment is being undertaken on the proposal to increase the AEB rate. The rate increase itself should not disproportionately affect protected or underrepresented groups and is designed to ensure each individual has adequate support and resource afforded to them when undertaking their programme.

5.3 The impact of reduced places through AEB, and limitation of service, however, does have the potential to affect particular providers and communities. Proportionate uptake amongst demographics will be monitored closely if this is implemented, and responsiveness funds will be targeted to address any imbalance, should this be seen.

6. Financial Implications

6.1 The proposed rate increase does not affect the overall expenditure of the AEB funding, it will be afforded from the existing budget.

6.2 Any recommendation regarding a funding increase could affect the impact that the AEB funds are able to make on WY Residents. The devolved WY AEB fund is a finite pot and increase to rates made locally would result in a reduced number of residents supported.

6.3 The recommendation to decommit to the residential uplift will improve value for money after the transition period.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 The Combined Authority is asked to approve proposal for an AEB rate increase, as outlined in 2.26.

10.2 The Combined Authority is asked to approve the decommitment to residential uplift funding, as outlined in 2.36.

11. Background Documents

[Employment & Skills Committee Paper October 2022](#)

12. Appendices

None.

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Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **LEP Governance**

Director: Alan Reiss, Director of Strategy, Communications and Intelligence

Author: Caroline Allen, Head of Legal and Governance Services

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 To seek approval to proposed changes to the LEP Constitution and governance arrangements following the approval of the LEP Integration Plan.
- 1.2 To seek approval to convene an Independent Remuneration Panel to advise the Mayor and the Combined Authority on the level of allowance for the LEP Chair.

2. Information

- 2.1 The publication of the Levelling Up White Paper in February 2022 provided clarity that for LEPs within Mayoral Combined Authority (MCA) areas, the LEPs would be integrated into the MCA. Further details were provided by government in March when the [Guidance to Integrate LEPs into Local Democratic Institutions](#) was received.
- 2.2 Following this, in July 2022 a LEP Integration Plan (IP) for West Yorkshire was submitted to government. A request for further information was made in September, which was provided and a final version of the LEP Integration Plan submitted.
- 2.3 It was expected based on the original timeline provided by government that final endorsement of IPs would be provided in late September, however this

was significantly delayed due to ministerial changes. Confirmation that ministers had endorsed the plan was received on 20 December 2022. A formal letter confirming that government endorsed the IP was received on 17 January 2023.

- 2.4 This paper sets out the steps that are required to fully integrate the LEP into the Combined Authority including the governance changes required and the impact on the recruitment of the new LEP Chair and board members.

Governance Implications

- 2.5 At the annual meetings of the LEP and Combined Authority in June 2022 Members agreed that the current LEP Constitution and governance model should be retained until agreement to the IP had been received.
- 2.6 Integration of the LEP into the Combined Authority means that separate constitutions and governance models are no longer required or appropriate. It is proposed that the LEP Constitution and documents are withdrawn as a suite of documents and replaced with a new Article within the Combined Authority's Constitution setting out the LEP governance arrangements. Thus ensuring that the best practice elements are retained combined with integrating elements where appropriate into other existing parts of the Combined Authority's Constitution, providing greater consistency and clarity. This includes maintaining the following principles:
- The LEP Board remains private sector led.
 - EDI principles around board members.
 - Having roles such as SME champion and Diversity Champion.
 - Adherence to the Members' Code of Conduct and Conflicts of Interest Policy.
 - Transparency retained with published agendas and minutes and meetings held in public.
- 2.7 As referenced above, it is proposed that new governance arrangements (proposed in new draft Articles) and Terms of Reference for the LEP Board are required. Drafts are provided at Appendix 1 and 2. In addition, the table below summarises the proposed changes to the LEP constitutional documents and how they will be integrated into the Combined Authority's Constitution.

Current Position	Proposed Change	Comments
LEP Constitution	Key aspects retained within the new LEP Governance Arrangements	Draft attached to this report as Appendix 1
LEP Access to Information Annex	Key aspects retained within the new LEP	6.5 and 6.7 – 6.9 of App1 refer. The reference to exempt matters has been removed and the broader

	Governance Arrangements	definition of confidential info retained.
LEP Board Procedure Rules	Key aspects retained within the new LEP Governance Arrangements	
LEP Code of Practice for recording meetings	Withdraw	Not considered necessary
LEP Protocol for remote meetings	Withdraw	Not considered necessary
Code of Conduct for LEP Board members	Key aspects retained within the new LEP Governance Arrangements	See Section 7 of App1. Further work is proposed to set out more explicitly within the CA's Constitution the expectations of private sector and LEP Board members vis a vis the CA's Code of Conduct rather than having more than one code
Register of Interests of LEP Board Members	Withdraw	All LEP Board members are required to complete the CA's Register of Interests as well as the LEP Board one which is confusing and cumbersome both to members and the public. There will be greater clarity and transparency by simply having one.
Register of Gifts & Hospitality for LEP Board members	Withdraw	Covered by the CA's requirements and register
Register of interests of the LEP Chief Executive	Withdraw	Unnecessary and disproportionate to specify this requirement in relation to the LEP. Scope to move to publishing senior CA officers gifts and hospitality registers at a future date
CA/LEP Conflicts of Interest Policy	Retained	

CA/LEP Conflicts of Interest Protocol	Retained	
LEP AEB Conflicts of Interest Policy		To be included in existing CA procedures
LEP Procedure for considering complaints	Withdraw	To be included in existing CA procedures
LEP Confidential Complaints Procedure	Withdraw	To be included in existing CA procedures
Whistleblowing Policy	Revise	To be reviewed and revised as necessary to reflect the integration
CA/LEP Recruitment & Appointment Procedure for Private Sector members	Retained	To be reviewed and revised as necessary to reflect the integration
LEP Remuneration and Expenses Scheme	Withdraw as a stand alone document	To be reviewed and to form an appendix to the existing CA Members Allowances Scheme
Summary of remuneration and expenses paid to LEP Board members	withdraw	Publish as part of the transparency provisions relating to member allowances/expenses
LEP Equality & Diversity Policy including diversity statement	Withdraw as a stand alone document	As the LEP is integrated into the CA then the LEP needs to come within the remit of the CA's Equality & Diversity Policy

2.8 As part of these changes it is proposed that:

- the LEP Chair becomes a mayoral appointment. The LEP Board will continue to nominate the LEP member to the Combined Authority annually, as set out in The West Yorkshire Combined Authority (Election of Mayor and Functions) Order 2021.
- All appointments to outside bodies are made at the Combined Authority's Annual Meeting. The LEP may however make recommendations with regards to their members as appropriate.

LEP Chair Recruitment

- 2.9 Recruitment of the new LEP Chair cannot take place until the governance changes set out above are in place. As part of the governance changes, the Private Sector Recruitment Process has been updated in line with the IP and is provided at appendix 3.
- 2.10 A revised role profile for the LEP Chair is currently in development. This will be agreed with the Mayor and then shared with LEP Board members at their meeting on 8 March.
- 2.11 At the Combined Authority meeting in June 2022 it was agreed that remuneration of the LEP Chair would be retained and would be assessed independently prior to recruitment commencing. It is therefore proposed that an Independent Remuneration Panel (IRP) be convened to provide proposals regarding remuneration to the Mayor and the Combined Authority at its next meeting on 16 March.
- 2.12 It is proposed that recruitment for the LEP Chair and vacant LEP Board members commences shortly thereafter. As a consequence, the Interim Chair will remain in position until the substantial appointment has been made and the LEP Chair is in post.

Next Steps

- 2.13 Subject to the endorsement of this paper, the following next steps are proposed.
- 2.14 LEP Governance changes
- Paper to March LEP Board to formally endorse the governance changes.
 - Governance changes come into effect on a date to be set following endorsement at the March LEP Board.
- 2.15 LEP Chair Recruitment
- IRP convene February 2023
 - IRP reports to the Mayor/Chief Executive who will take a decision on remuneration.
 - Paper to March LEP Board to formally commence LEP Chair recruitment.
 - LEP Chair and Board members recruitment commences March 2023.

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

4.1 There are no inclusive growth implications directly arising from this report. Though it should be noted that it is proposed that inclusive growth will remain a key priority for the LEP.

5. Equality and Diversity Implications

5.1 It is proposed to maintain the focus on equality and diversity within the LEP constitution and EDI will remain a key priority for the LEP.

6. Financial Implications

6.1 There are no financial implications directly arising from this report, however it should be noted that the position regarding any future LEP funding is still unclear.

7. Legal Implications

7.1 The legal and governance implications regarding changes to the constitution and governance model are set out in body of the paper.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Combined Authority endorses the proposed LEP governance arrangements as set out in the draft Articles at Appendix 1 and draft Terms of Reference at Appendix 2 and the revised Recruitment and Appointment Procedure for Private Sector Representatives as set out at Appendix 3 for consideration by the LEP Board at its meeting on 8 March 2023.

10.2 Subject to 10.1, the Combined Authority authorises the Head of Legal & Governance Services, in consultation with the Mayor and the Chair of the LEP Board as appropriate, to:

- finalise the Articles, Terms of Reference and the Recruitment and Appointment Procedure
- make such consequential amendments to the Authority's Constitution as are necessary
- set a date from which the proposed changes are brought into effect.

10.3 That the Combined Authority authorises the Head of Legal & Governance Services to convene an Independent Remuneration Panel to make

recommendations to the Mayor and the Combined Authority as to the allowance that shall be payable to the LEP Chair.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Draft Articles relating to the LEP

Appendix 2 – Draft LEP Terms of Reference

Appendix 3 – Recruitment and Appointment Procedure for Private Sector Representatives

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Part 2 - Articles

Article 10 – The LEP

Role of the LEP

- 10.1 The LEP is a business-led public private local partnership which brings together the private and public sectors from across the City Region to:
- provide strategic leadership,
 - unlock the region’s vast potential by enabling business to grow and develop,
 - stimulate growth that will create jobs and prosperity for everyone who lives, works and does business in the region, and
 - advise on strategy and policy aimed at meeting both the current and future needs for the region’s economy.

The LEP Member

- 10.2 The LEP nominates a representative to the Combined Authority to be appointed as a Combined Authority Member by the Combined Authority (the LEP Member).¹ A Substitute Member is also appointed to act in the absence of the LEP Member. The terms of office and voting rights of the LEP Member are set out in Article 3 (Membership of the Combined Authority).

LEP Governance

Context

- 10.3. The LEP Board is not a committee of the Combined Authority, nor is it a sub-committee of any other committee. It is a non-statutory **advisory** board to the Mayor and the Combined Authority.
- 10.4 The LEP Board is not intended to replace or conflict with the Combined Authority’s **Overview and Scrutiny Committee**; any matter reviewed by the Local Partnership remains within the remit of the relevant Overview and Scrutiny Committee and the Scrutiny Standing Orders.

Membership

- 10.5. LEP Board membership must include:
- **private sector representatives**² who live or work within West Yorkshire; and

¹ Schedule 1 of the West Yorkshire Combined Authority Order 2014

² A private sector representative must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National

- West Yorkshire **local authority representatives**.

- 10.6 At least two-thirds of the members of the LEP Board shall be private sector representatives appointed under paragraph 10.9 below³.
- 10.7 The number of LEP Board members shall not exceed 20, excluding any additional member co-opted to the LEP Board in accordance with paragraph 10.19 below.

Appointment

- 10.8 No person may act as a member of the LEP Board⁴ if:
- they are the subject of a bankruptcy restrictions order, an interim bankruptcy restrictions order, a debt relief restrictions order or interim debt relief restrictions order under Schedule 4ZB of the Insolvency Act 1986, or
 - during the 5 years prior to the date of appointment, they have been convicted of any offence and been sentenced to imprisonment (whether suspended or not) for a period of not less than 3 months without the option of a fine, or
 - they have an incapacity imposed under Part III of the Representation of the People Act 1983 having been convicted of a corrupt or illegal practice, or
 - they are an officer or servant of the Combined Authority or a Combined Authority subsidiary (within the meaning of the Transport Act 1962).
- 10.9 The LEP Board shall appoint the **private sector representatives** to the LEP Board. Any private sector representative on the LEP Board is appointed in their individual capacity, and not as a representative of their employer or any other organisation. No substitute members will be appointed for private sector representatives.
- 10.10 The LEP Board will select the private sector representatives in accordance with the Combined Authority's Recruitment and Appointment Procedure for Private Sector Representatives.
- 10.11 The following local authorities shall each appoint a **local authority representative** to the LEP Board⁵:
- City of Bradford Metropolitan District Council
 - Borough Council of Calderdale
 - Kirklees Metropolitan Council
 - Leeds City Council

Accounts. For this purpose, any Higher Education or Further Education Institution is not classified as a public sector organisation.

³ any co-optee appointed to the LEP Board is not included as a member of the LEP Board for the purpose of this requirement.

⁴ For the avoidance of doubt, this provision extends to any co-optee appointed to the LEP Board.

⁵ This is expected, but not required, to be the Leader of the relevant council.

- Council of the City of Wakefield

10.12 Each of these local authorities may also appoint a substitute to act in the absence of their appointed representative. The substitute member must be an elected councillor from the same local authority as the member for whom they are substituting.

10.13 The West Yorkshire Mayor (the Mayor) will ex-officio be a local authority representative on the LEP Board. The Mayor's substitute will be ex-officio the Mayor's Deputy Mayor.

10.14 An officer cannot substitute for any member of the LEP Board.

Appointment of Chair and Deputy Chair of the LEP

10.15 The Mayor will appoint:

- a private sector representative as **Chair of the LEP**, and
- a private sector representative as a **Deputy Chair of the LEP**.

10.16 A person ceases to be Chair of the LEP or Deputy Chair of the LEP if they cease to be a member of the LEP Board.

10.17 The role of the Chair is to convene the local business community and public sector stakeholders and support the Mayor of West Yorkshire and members of the Combined Authority to understand the challenges and opportunities faced by business through the LEP as the primary business advisory board to the Mayor and the Combined Authority.

10.18 The Mayor will select the Chair in accordance with the Combined Authority's Recruitment and Appointment Procedure for Private Sector Representatives. The terms of the appointment will be set out in an appointment letter from the Mayor to the Chair of the LEP.

Appointment of co-optees to the LEP Board

10.19 The LEP Board may at any time co-opt up to 5 additional persons with specialist knowledge to the LEP Board, subject to paragraph 10.22 below.

Terms of office

10.20 The term of office for each **private sector representative** appointed under paragraph 10.9 will normally be a maximum of three years, with an optional extension of three years. In exceptional circumstances, the LEP Board may approve an extension of a further three years.

10.21 The term of office for the **Chair** and **Deputy Chair** will be up to three years, with an optional extension of up to three years possible subject to review. In exceptional circumstances, the Mayor may approve a further extension up to three years.

- 10.22 The term of office for each **co-optee** appointed under paragraph 10.19 will be one year, subject to any exceptional circumstances.
- 10.23 The LEP Board may terminate the membership of any **private sector representative** or **co-optee** at any time.
- 10.24 The term of office for any **local authority representative** appointed by a local authority (or their substitute) is at the discretion of their appointing authority; authorities may terminate their appointment or appoint a representative at any time, by notification in writing to the Combined Authority's Head of Legal and Governance.
- 10.25 Any member of the LEP Board or co-optee may resign at any time by written notification to the LEP Chair.
- 10.26 Any member of the LEP Board who fails to attend any meeting of the LEP Board throughout six consecutive months from the date they last attended such a meeting, shall cease to be a member of the LEP Board, unless the failure was due to a reason approved by the LEP Board before the expiry of the six month period.

LEP Board Groups

- 10.27 The LEP Board may at any time appoint an advisory group (in relation to a particular on-going issue or theme), or a working group (in relation to a time limited task) for the purpose of providing advice to the LEP Board.
- 10.28 The LEP Board may appoint as a member of an advisory group or working group, any private sector representative or other persons who are not members of the LEP Board.
- 10.29 The membership of any group or working group appointed by the LEP Board must include a member of the LEP Board who will report back to the LEP Board on any recommendations made by the group.
- 10.30 The LEP Board shall determine the procedure for any group or working group; in the absence of any such determination the procedure shall be determined by the group or working group itself.

Meeting Arrangements

- 10.31 The **Chair of the LEP if present shall preside** at any meeting of the LEP Board, or in their absence, or where they cannot participate due to a conflict of interest, the Deputy Chair of the LEP shall preside. If neither are present, or both are conflicted, the meeting will elect a chair to preside for that meeting.
- 10.32 The LEP Board will **meet at least once a year** on dates agreed by the LEP Board, and the dates will be published on the Combined Authority's website as soon as reasonably practicable.
- 10.33 On an **annual basis** the LEP Board will:
- In respect of membership:

- Nominate a member of the LEP Board to the Combined Authority⁶
- note the **local authority representatives** and substitutes appointed to the LEP Board appoint (or confirm the continuing LEP Board membership of) **private sector representatives**
- appoint any **co-optees** to the LEP Board

10.34 Every meeting of the LEP Board will:

- receive **declaration of interests** from members of the LEP Board
- approve the **minutes** of the last LEP Board
- consider **any other business** set out in the agenda for the meeting.

Public access to agenda and reports

10.35 Where practicable, at least 3 clear days before a meeting of the LEP Board, a copy of the agenda and reports⁷ will be made available for inspection by the public at the Combined Authority offices and published on the Combined Authority website.

Quorum

10.36 No business may be transacted at a meeting of the LEP Board, unless at least 4 members of the LEP Board (or their substitutes) are present, including one local authority representative and one private sector representative.

Confidential Information and Public access to meetings

10.37 Members of the LEP Board may from time to time receive information which is treated as confidential. **It is imperative that such information is not disclosed** to parties outside the Board and to do so may lead to the removal of the member from the LEP Board.

10.38 Formal meetings of the LEP Board shall be open to the public except to the extent that the public are excluded (during the whole or part of the proceedings) to prevent the likely disclosure of confidential information

10.39 The public **must** be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that the following confidential information would be disclosed:

- information given to the LEP Board or the Combined Authority by a Government department on terms which forbid its public disclosure, or
- information the public disclosure of which is prohibited by or under an Act or Court Order.

⁶ To date, in practice this has been the Chair of the LEP Board, but there is no requirement for this to be the case

⁷ With the exception of such reports and agenda items that contain confidential information.

10.40 The public **may** be excluded from a meeting during an item whenever it is likely in view of the nature of the business or the nature of the proceedings that the following confidential information would be disclosed:

- information the public disclosure of which would, or would be likely to, inhibit the free and frank provision of advice, the free and frank exchange of views for the purposes of deliberation, and/or would be likely to otherwise prejudice the effective conduct of public affairs

Voting

10.41 The LEP Board shall operate on a consensus model, wherever possible. Where a consensus is not achieved, a matter shall be carried by a majority of votes of the members of the LEP Board present and voting.

Minutes

10.42 Minutes of a meeting of the LEP Board will record:

- the names of all members of the LEP Board (or their substitute) present at the meeting,
- any declarations of interests made at the meeting, and
- any decision or recommendation made by the LEP Board

10.43 Minutes of a meeting of the LEP Board will be published on the Combined Authority's website following the meeting.

Code of Conduct and Conflicts of Interest

10.44 Any member of the LEP Board to whom the Combined Authority's **Members' Code of Conduct** applies (by virtue of their membership on the Combined Authority, their role as a voting member on a committee or otherwise) will be subject to the Code of Conduct when they are attending the LEP Board and/or undertaking activities as a LEP Board member.

10.45 Any member of the LEP Board who is **not subject to the Members' Code of Conduct is still required to act in line with the Nolan Principles** of public life which are selflessness, integrity, objectivity, accountability, openness, honesty and leadership and **is expected** to meet the standards of the Members Code of Conduct as a matter of good governance.

10.46 All LEP Board members should treat meetings of the Board as if they are a formal committee meeting **for the purposes of disclosing interests and not participating where a member has an interest in any matter**. This approach helps members avoid breaching the principles of conduct set out in the Code relating to selflessness, and honesty and integrity.

10.47 Any declaration or non-participation by any member of the LEP Board should be recorded in the minutes for the meeting of the Board.

10.48 All members of the LEP Board are also subject to the Combined Authority's Conflicts of Interest Policy and Protocol: Loans or grants to businesses.

The Assurance Framework

- 10.49 The Combined Authority and the LEP have agreed a joint Assurance Framework, which sets out the arrangements that the Combined Authority and the LEP have in place to ensure that public money is managed effectively. It explains how the Combined Authority and the LEP identify, appraise and evaluate schemes to achieve value for money.
- 10.50 The focus of the Assurance Framework is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the LEP and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money.
- 10.11 The Assurance Framework also sets out the respective roles and responsibilities of the Combined Authority and the LEP, including how the formal accountability relationship between the Combined Authority and the LEP works.

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Part 3

Section 2.3 - Terms of Reference

The LEP Board

1. The LEP Board is a business-led public private local partnership which brings together the private and public sectors from across the City Region to:
 - provide strategic leadership,
 - unlock the region's vast potential by enabling business to grow and develop,
 - stimulate growth that will create jobs and prosperity for everyone who lives, works and does business in the region, and
 - advise on strategy and policy aimed at meeting both the current and future needs for the region's economy.

The LEP Board is authorised:

2. To advise the Combined Authority in respect of any Non-Mayoral Function¹ which relates to, or impacts on those matters set out at paragraph 1.
3. To advise the Mayor in respect of any Mayoral General Function² which relates to, or impacts on those matters set out at paragraph 1.
4. To promote, in collaboration the Combined Authority and its other committees,
 - equality and diversity,
 - inclusive growth,
 - tackling the climate emergency, and
 - the strategic alignment of the Combined Authority's policies, investment priorities, strategies, and plans.

¹ Functions in this context are to be construed in a broad and inclusive fashion, and as including the exercise of the ancillary powers under Section 113A of the Local Democracy, Economic Development and Construction Act 2009.

² Mayoral General Functions are the functions of the Combined Authority which are exercisable only by the Mayor, other than PCC Functions. These are conferred by the 2021 Order (see further Table D in Section 3.1.1 of Part 3 of the Constitution), or other legislation.

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Leeds City Region Enterprise Partnership (LEP) & West Yorkshire Combined Authority (Combined Authority)

Recruitment and Appointment Procedure for Private Sector Representatives

1. Introduction

- 1.1 The LEP's Governance Arrangements¹ provide for the LEP to appoint private sector representatives to the LEP. The Combined Authority also co-opts private sector representatives to its committees. The Combined Authority may also appoint such representatives to any working group.
- 1.2 This procedure sets out the process to be followed in relation to the recruitment of any private sector representative² to:
- the LEP (including the LEP Chair) or
 - any committee or working group of the West Yorkshire Combined Authority.
- 1.3 The purpose of this procedure is to ensure that the recruitment for private sector representatives is carried out in a way which secures:
- selection on the basis of merit based on aptitude and ability,
 - consistency, fairness and openness in line with the Nolan principles,
 - appropriate succession planning, and
 - effective recruitment of people who can bring new ideas and approaches.
- 1.4 The terms of office for any private sector representative on the LEP including the Chair, a committee or working group, will be in accordance with the Combined Authority's governance arrangements.

2. Diversity

- 2.1 It is recognised that the composition of representatives on the LEP and the Combined Authority is important as a breadth of interests must be taken into consideration. The aim of each recruitment exercise is to promote and achieve private sector representation that reflects the diversity, industry and geography of the region.

¹ Article 10, Part 2 of the Combined Authority's Constitution

² This is subject to exceptional circumstances where the LEP or the LEP Chair (subject to the confirmation of the Monitoring Officer) confirms that there are compelling reasons for not doing so.

2.2 The Combined Authority and LEP are committed to promoting diversity and equality of opportunity including in relation to the representatives on boards and committees.

3. Eligibility

3.1 A private sector representative should:

- live or work within the West Yorkshire, and
- be (or have been) employed by an organisation **not** included as central government, local government or a public corporate as defined for the UK National Accounts.³

3.2 No person may act as a private sector representative if:

- they are the subject of a bankruptcy restrictions order, an interim bankruptcy restrictions order, a debt relief restrictions order or interim debt relief restrictions order under Schedule 4ZB of the Insolvency Act 1986, or
- during the five years prior to the date of appointment, they have been convicted of any offence and been sentenced to imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine, or
- they have an incapacity imposed under Part III of the Representation of the People Act 1983 having been convicted of a corrupt or illegal practice, or
- they are an officer or servant of the Combined Authority or a Combined Authority subsidiary (within the meaning of the Transport Act 1962),
- they are currently employed in the public sector (that is, by an organisation included as central government, local government or a public corporate as defined for the UK National Accounts).

4. Recruitment Exercises - private sector representatives other than the LEP Chair

4.1 A full media backed recruitment campaign may take place as appropriate in respect of private sector representation on the LEP and on any committee (or working group) of the Combined Authority, as part of the LEP's succession planning arrangements.

³ Public Sector Classifications can be viewed on the Office for National Statistics web-site [here](#)

- 4.2 A role profile for private sector representatives may be approved by the Combined Authority Chief Executive in consultation with the LEP Chair before the start of each recruitment campaign.
- 4.3 This opportunity will be advertised openly on a variety of platforms, to ensure that people across the business community have an opportunity to apply. This may include local and regional press as well as via the Combined Authority/LEP digital channels and both existing and potential new networks, including consideration of appropriate channels for specific equality and diversity objectives. Senior business leaders, stakeholders and Chief Executives across the Leeds City Region may also be encouraged to share this opportunity with their extensive networks to ensure every effort is made to capture networks, contacts and organisations as broad reaching as possible to actively encourage individuals from under-represented groups to apply.
- 4.4 The Combined Authority's officers will compose an appropriate advertisement and agree a suitable deadline for applications.
- 4.5 Applications may be received online via the "Board Recruitment" email inbox which will be monitored and maintained by the Private Sector Relationship Manager.
- 4.6 Following the advertised deadline, applications will be reviewed to ensure that candidates are eligible for the position and assess suitability against the role profile.
- 4.7 The LEP Chair and Combined Authority Chief Executive will agree a short-list of candidates, who may then be invited to meet with an interview panel. The interview panel for private sector representatives may consist of:
- the LEP Chair,
 - a private sector representative, and
 - a local authority representative.
- 4.8 Appropriate Combined Authority officers may attend the interview, to advise only.
- 4.9 Before the interview, each shortlisted candidate may be asked to provide contact details for two referees.
- 4.10 Each candidate will be assessed by the interview panel on merit, based on aptitude and ability assessed against the role profile for the position, taking into account their application, interview and references.

- 4.11 In respect of private sector representatives on the LEP, the Combined Authority Chief Executive will report the recommendations of any interview panel to the LEP, which will make any appointment. Successful candidates to the LEP may be notified by the LEP Chair.
- 4.12 With the LEP Chair's consent, any other appropriate member of the LEP may interview potential candidates. The appropriate committee lead officer may attend in support.
- 4.13 In respect of private sector representatives on any committee, the Combined Authority Chief Executive will report the recommendations of any interview panel to the LEP for consideration and recommendation to the Combined Authority, which will make any appointment.

5. Private Sector Reserve

- 5.1 Where the number of suitable candidates exceeds the number of vacancies, any suitable candidate who is not appointed to a vacancy may be given the opportunity to join a Private Sector Reserve which may remain in place until the next recruitment campaign⁴, as part of the LEP's succession planning arrangements.
- 5.2 Should a vacancy arise for a private sector representative at any time between each full campaign⁵, then the Private Sector Relationship Manager may invite an EOI from the individuals in the Private Sector Reserve to fill this vacancy.
- 5.3 The Private Sector Relationship Manager may also invite an EOI from all existing private sector representatives in relation to any vacancy, in case they wish to be considered for that vacancy.
- 5.4 Where any EOI is received:
- In respect of vacancies for private sector representatives on the LEP, the LEP Chair will consider any EOIs and may meet with any candidates to assess their suitability for the particular position.
 - In respect of vacancies for private sector representatives on a committee, the LEP Chair or any other appropriate member of the LEP with the

⁴ Their original application and any other details held for them will be held until the next recruitment campaign.

⁵ Including any vacancy which arises due to any changes in committee or working group arrangements

consent of the LEP Chair will consider any Eols and may meet with any candidates to assess their suitability for the particular position.

- 5.5 If no Eols are submitted, new applicants may be sought via a recruitment campaign with the vacancy being advertised on the LEP and Combined Authority web-sites, and any another appropriate website and social media. The vacancy may be advertised for a minimum of 14 days, and the process set out in paragraphs 4.4 – 4.9 above followed.
- 5.6 In respect of private sector representatives on the LEP, the Combined Authority Chief Executive will report recommendations to the LEP, which will make any appointment.
- 5.7 In respect of private sector representatives on any committee, the Combined Authority Chief Executive will report any recommendations to the LEP for consideration and recommendation to the Combined Authority, which will make any appointment.

6. LEP & Committee Composition & Conditions

- 6.1 Each private sector representative is appointed with the expectation that they remain in the same or similar role and industry for the duration of their term of office. They must advise the Private Sector Relationship Manager of any changes in their employment, within seven days.
- 6.2 The LEP Chair and other member of the LEP Board at the LEP Chair's invitation may periodically meet with private sector representatives, and any proposed changes in employment/sector focus should be discussed at that time.
- 6.3 Subject to approval by the Combined Authority and the LEP Board, a private sector representative may be appointed to more than one committee, or appointed to a different committee, should their sector focus change or their knowledge or experience be better utilised elsewhere.
- 6.4 A private sector representative must also advise the Private Sector Relationship Manager as soon as reasonably practicable if they are no longer eligible to act as a private sector representative, for example, if they become employed in the public sector. See section 3, Eligibility.

7. Recruitment and appointment of the LEP Chair

- 7.1 The LEP's Governance Arrangements provides for the LEP Chair to be a private sector representative appointed by the Mayor.

- 7.2 Where a vacancy arises (or is due to arise) in the position of LEP Chair, the role profile for the position may be reviewed and approved by the Combined Authority Chief Executive in conjunction with the Mayor before the start of each recruitment campaign.
- 7.3 Officers will compose an appropriate advertisement and agree a suitable deadline for applications, further to engagement with the business community, through the LEP's Business Communications Group.
- 7.4 This opportunity will be advertised openly on a variety of platforms, to ensure that people across the business community have an opportunity to apply. This may include local and regional press as well as via the Combined Authority/LEP digital channels and both existing and potential new networks, including consideration of appropriate channels for specific equality and diversity objectives. Senior business leaders, stakeholders and Chief Executives across West Yorkshire may be encouraged to also share this opportunity with their extensive networks to ensure every effort is made to capture networks, contacts and organisations as broad reaching as possible to actively encourage individuals from under-represented groups to apply.
- 7.5 In addition to the media backed recruitment campaign, extensive, wide reaching and transparent engagement with the business community via press, social media and the Business Communications Group may take place.
- 7.6 Applications may be received online via the "Board Recruitment" email inbox which will be monitored and maintained by the Private Sector Relationship Manager.
- 7.7 Following the advertised deadline, applications will be reviewed to ensure that candidates are eligible for the position and assess suitability against the role profile.
- 7.9 The Combined Authority Chief Executive will agree a short-list of candidates, who will then be invited to meet with an interview panel. The interview panel will as a minimum include:
- a private sector representative who is not a member of the LEP, and
 - the Mayor or other local authority representative.
- 7.10 Appropriate Combined Authority officers will attend the interview, to advise only.
- 7.11 Before the interview, each shortlisted candidate may be asked to provide contact details for two referees.

- 7.12 Each candidate will be assessed by the interview panel on merit, based on aptitude and ability assessed against the role profile for the position, taking into account their application, interview and references.
- 7.13 The interview panel will make recommendations to the Mayor with regard to the appointment of a LEP Chair.
- 7.14 The LEP Chair's term will be in accordance with the LEP Governance Arrangements.
- 7.15 The terms of their appointment will be set out in an appointment letter from the Mayor to the LEP Chair.

8. Appointment of the LEP Deputy Chair

- 8.1 The LEP Governance Arrangements provide for the Mayor to appoint a private sector LEP Deputy Chair.
- 8.2 The Private Sector Relationship Manager may invite an EoI from all Private Sector representatives on the LEP Board in relation to any vacancy arising.
- 8.3 The Deputy Chair may be appointed by the Mayor from among the private sector representatives on the LEP Board.

9. Committee Chairs

- 9.1 The Combined Authority Chief Executive may seek recommendations from the LEP relating to the appointment of any private sector representative as a committee Deputy Chair at any time. Any recommendations will be considered by the Combined Authority, which will make any such appointment.

10. Induction and Training

- 10.1 Appropriate training and induction is provided to all representatives, including private sector representatives. Further training may also be provided throughout their term, including diversity training and briefings on new developments, as and when required and this will be kept under review in accordance with the West Yorkshire Combined Authority Assurance Framework.

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Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **Assurance Framework Annual Review**

Director: Melanie Corcoran, Interim Chief Operating Officer

Author: Craig Taylor, Head of Portfolio Management Office and Appraisal

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1 Purpose of this report

- 1.1 To report on progress on the annual review of the Leeds City Region Local Framework which must be reviewed annually and uploaded onto the Combined Authority's and LEP's website by 28 February 2023.
- 1.2 To request the Combined Authority to review and approve the proposed revisions to the Leeds City Region Assurance Framework.

- 2.1 The Local Assurance Framework was developed in 2015 as part of the Growth Deal with Government and in February 2021 was updated to comply with changes arising from the West Yorkshire Devolution Deal for a Mayoral Combined Authority. Its purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the Strategic Economic Framework (SEF) and West Yorkshire Investment Strategy (WYIS) ambitions. Its focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the LEP and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded (revenue and capital) from Government or local sources that flow through the LEP and / or the Combined Authority.

- 1.3 The Local Assurance Framework must be reviewed annually and uploaded onto the Combined Authority's and LEP's website. The deadline for this to be completed is 28 February 2023.
- 1.4 In the period after 28 February 2022, minor changes have been made on two occasions by Written record of an officer decision (WROD):
- In June 2022 to reflect the new Adult Education Budget (AEB) delegations in Appendix 7 as approved by resolution of the Combined Authority on 17 March 2022.
 - In November 2022 to reflect the changes to the Committee Structure approved by the Combined Authority at its Annual Meeting on 23 June 2022, to update all references to the Managing Director to Chief Executive and to revise the AEB table of delegations to include Multiply, that was approved at the Combined Authority on 21 October 2022.
- 1.5 The Assurance Framework has been prepared in accordance with HM Government Local Growth National Assurance Framework guidance (September 2021) and builds on a body of existing good practice. The LEP has to comply with this guidance for the relevant funding streams, but the principles are also applied to the Combined Authority, as the accountable body for the LEP for all funding streams.
- 1.6 The Combined Authority is requested to note that no further update has been published by DLUHC with regards the Local Growth National Assurance Framework guidance since September 2021. An update is expected to be published prior to 28 February 2023 but is not expected until late November / December 2022. Any changes to Assurance Framework resulting from this update will be reflected in this year's review of the Local Assurance Framework as soon as these are available. Significant changes are not expected and therefore this year's review will focus on changes requested by Combined Authority officers, partners and LEP Board members.
- 1.7 The Combined Authority's Internal Leadership Board (ILB) have provided the following comments that will be incorporated:
- Include in the Introduction a lay persons explanation of what the Assurance Framework is.
 - Better definition of the LEPs role and the Leeds City Region.
 - Internal feedback on the Assurance Framework to be sought and incorporated as necessary.
- 1.8 The draft Assurance Framework draft has been presented to and supported by the LEP Board at its meeting on 1 December 2022. It was presented to the Governance and Audit Committee on 12 January 2023.
- 1.9 A copy of the latest draft Local Assurance Framework 2023 (with track changes) can be found be found at Appendix 1. The key changes to date are outlined below:

- The updates outlined in 2.3 above.
 - Branding update.
 - Section 8. The Combined Authority's approach to evaluation has been updated.
 - Include in the Introduction a simple explanation of what the Assurance Framework is.
- 1.10 Further updates will be made based on the updated Local Growth National Assurance Framework guidance and the outcome of the committee reviews and the proposed peer review as outlined below.
- 1.11 The Combined Authority is underway with the integration of the LEP and the Constitution is being amended in several areas. The changes are being presented at this meeting. Next step is for the changes to be presented and accepted at the LEP Board meeting on 8 March 2023. This will result in consequential amendments in the Assurance Framework.

Proposed Peer Review

- 1.12 The Local Assurance Framework continues to adopt a flexible and proportionate approach based on an assessment of risk, cost, and deliverability. For example:
- A low cost or low risk scheme may proceed from Activity 2 to Activity 4 with either a simplified business case template (business justification) or a strategic outline case.
 - A programme level strategic outline case may allow individual schemes to develop a final business case only for approval.
 - The Portfolio Management and Appraisal Team (PMA) work with promoters to give guidance and advice for a proportionate approach to be achieved.
 - Approvals can be delegated as appropriate to shorten timescales.
- 1.13 Although our Assurance Framework is seen as exemplar, experience shows that flexibility and proportionality can be improved and in the current climate, we are keen to ensure improvement. Therefore, a peer review will be undertaken as follows:
- Collect the Assurance Frameworks from the other eight MCAs (completed).
 - PMA to compare these Assurance Frameworks against the West Yorkshire Combined Authority's and note the similarities and differences.
 - PMA to contact each PMA / PMO equivalent in each of the MCA's and discuss how theirs is working, how they would change it, what issues they have had, what is working well etc. and whether they are having the same issues and if so, what are their plans, if not why not. To begin

this process, an MCA Assurance Network has been set up. The first meeting is on 24 November 2022.

- Engage with users of the Assurance Framework (Combined Authority and partners) to determine from their perspective what is working well, what issues they have, what changes they would like to see etc.
- In June 2023, the Combined Authority approved a revised directorate structure and operating model, which will help us to be more outcome focussed and deliver for the people of West Yorkshire. As part of the further work that we, with our strategic change partner, Deloitte, are undertaking on our Evolution Programme (organisational design, culture and behavioural change and process improvement) the governance around the Assurance Framework will be reviewed.
- PMA and Deloitte to report back their findings with recommendations so that decisions can be made as to what further work / changes are required.

- 1.14 The peer review will not be complete prior to 28 February 2023, therefore it is proposed the Assurance Framework will be further updated at the Combined Authority's annual meeting in June 2023 to take account of the review.

Next Steps

- 1.15 Following the Combined Authority meeting and the publication of the revised Local Growth National Assurance Framework guidance, the Department for Business, Energy & Industrial Strategy (BEIS) will be sent the draft Local Assurance Framework 2023 for their review.

2 Tackling the Climate Emergency Implications

- 2.1 Climate emergency benefits and implications have been embedded throughout the Assurance Framework and the related templates and guidance documents to ensure that the climate emergency is considered by all schemes that come through Assurance Framework.
- 2.2 To strengthen decision making, a robust, quantifiable methodology for assessing all new schemes predicted carbon emissions / wider clean growth impacts has been developed (carbon impact assessment tool – CIA). The CIA has been included in all business case templates and approvals will not be sought until a CIA has been completed.
- 2.3 Climate emergency benefits and implications are required to be included in all project approvals reports which ensures that the business cases evidence their climate emergency impact.

3 Inclusive Growth Implications

- 3.1 Inclusive growth implications have been embedded throughout the Assurance Framework and the related templates and guidance documents to ensure that inclusive growth is considered by all schemes that come through Assurance Framework.

- 3.2 Inclusive growth benefits and implications are required to be included in all project approvals reports which ensures that the business cases evidence their inclusive growth impact.

4 Equality and Diversity Implications

- 4.1 Equality and diversity benefits and implications have been embedded throughout the Assurance Framework and the related templates and guidance documents to ensure that equality and diversity are considered by all schemes that come through Assurance Framework.
- 4.2 The recently revised and strengthened equality and diversity toolkit has been included in all business case templates and approvals will not be sought until an EqIA has been completed.
- 4.3 Equality and diversity benefits and implications are required to be included in all project approvals reports which ensures that the business cases evidence their equality and diversity impact (both directly and indirectly).

5 Financial Implications

- 5.1 The Section 73 Officer is required to write to HM Government by 28 February each year, to certify that the LEP/Combined Authority's Local Assurance Framework is compliant with the national framework.

6 Legal Implications

- 6.1 The Section 73 Officer is required to write to HM Government by 28 February each year, to certify that the LEP/Combined Authority's Local Assurance Framework is compliant with the national framework.

7 Staffing Implications

- 7.1 There are no staffing implications directly arising from this report.

8 External Consultees

- 8.1 The Department for Business, Energy & Industrial Strategy (BEIS) have provided informal feedback on the draft Local Assurance Framework which has been taken account of.

9 Recommendations

- 9.1 The Combined Authority reviews and approves the proposed revisions to the Leeds City Region Assurance Framework.
- 9.2 That the Combined Authority delegates authority to the Combined Authority's Chief Executive in consultation with the LEP Chair and the Combined Authority Chair to approve the final Local Assurance Framework, in case any further changes are needed to be made to the Local Assurance Framework prior to its publication.

10 Background Documents

11.1 [The National Local Growth Assurance Framework](#) (2021)

11 Appendices

12.1 Appendix 1 – Assurance Framework 2023



Working in partnership with the



Leeds City Region Enterprise Partnership



West Yorkshire Combined Authority

Assurance Framework

October 2022

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1 Introduction

1.1 About the Assurance Framework

This is the joint Assurance Framework for the West Yorkshire Combined Authority (Combined Authority) and the Leeds City Region Enterprise Partnership (the LEP). The Assurance Framework sets out the arrangements that the Combined Authority and the LEP have in place to ensure that public money is managed effectively. It explains how the Combined Authority and the LEP identify, appraise, and evaluate schemes to achieve value for money.

The Assurance Framework covers expenditure on programmes and schemes funded by Government or local sources in the Leeds City Region. This includes funding received by the Combined Authority in respect of the Single Investment Fund (SIF) and as the accountable body for the LEP. Further details on the SIF can be found in section 2.1.

1.2 Purpose of the Assurance Framework

The purpose of this Assurance Framework is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of our Strategic Economic Framework (SEF) ambitions¹. Its focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the LEP and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money.

This framework also sets out the respective roles and responsibilities of the Combined Authority and the LEP, including how the formal accountability relationship between the Combined Authority and the LEP works.

1.3 Updating the Assurance Framework

The Assurance Framework is reviewed and updated on an annual basis and signed off by the Combined Authority, the LEP and the statutory Section 73² Chief Finance Officer in line with the requirements of the National Local Growth Assurance Framework (2021). The Assurance Framework also takes into consideration the guidance set out in the Strengthened Local Enterprise Partnerships report (2018) and has been prepared in accordance with guidance issued by the Chartered institute of Public Finance and Accountancy.

¹ The priorities of the SEF are 1. Boosting productivity, 2. Enabling inclusive growth, 3. Tackling the climate emergency, 4. Delivering 21st century transport, 5. Securing money and powers. The SEF will be implemented in April 2021.

² Appointed under Section 73 Local Government Act 1985

1.4 The Seven Principles of public Life

The Seven Principles of Public Life (the Nolan principles)³ underpin this Assurance Framework to ensure that the Combined Authority and the LEP, their members and officers, are upholding the highest standards of conduct and ensuring robust stewardship of the resources they have at their disposal.

³ These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

2 About West Yorkshire

2.1 West Yorkshire Combined Authority

The West Yorkshire Combined Authority was established in 2014 to bring together local councils and businesses to champion the region's interests nationally and internationally, securing investment from Government and other sources to drive the economy forward, by carrying out economic regeneration and development functions as well as acting as the local transport authority for West Yorkshire.

In March 2020, the West Yorkshire councils and the Combined Authority agreed a “minded to” devolution deal with Government. The deal detailed £1.8bn of Government investment (including £1.14bn over 30 years), to be subject to local influence and decision-making, enabling spend on local priorities, together with a range of new devolved functions. The devolution deal was subject to the Combined Authority adopting the model of a directly elected mayor (the Mayor) over the Combined Area (West Yorkshire), that is becoming a Mayoral Combined Authority.

The Combined Authority has now been established by Order as a Mayoral Combined Authority, with the first election for a Mayor taking place in May 2021. The Mayor is directly elected by the local Government electors in West Yorkshire.

Appendix 1 to this Assurance Framework sets out which Functions are the responsibility of the Mayor.

A key element agreed in the devolution deal was a “**Single Pot**” approach to funding which consolidates funding lines and reduces ring-fences. This gives the Combined Authority greater control, flexibility and responsibility over funding streams and their outcomes. The new funding will form a **Single Investment Fund (the SIF)**.

The new devolved functions exercised by the Combined Authority as a Mayoral Combined Authority include:

- **Transport-related powers** including in relation to highways, traffic management and permit scheme functions.
- **Adult education and skills functions** thus enabling decision-makers to closer align spending on skills with the opportunities and needs in the local economy in order to engage adults and provide them with the skills needed for entering and sustaining employment, an apprenticeship, traineeship, or other further learning.
- **Housing functions** relating to compulsory purchase, plus provision of housing and land, land acquisition and disposal, and development and regeneration of land.
- **Economic development** – duty to prepare an assessment of economic conditions.

- **Policing and Crime functions**^{4, 5}.

2.2 Leeds City Region Enterprise Partnership

The Leeds City Region Enterprise Partnership (the LEP) is an autonomous business-led public-private local partnership, which brings together the private and public sectors from across the City Region to:

- Provide strategic leadership.
- Unlock the region's vast potential by enabling businesses to grow and develop.
- Stimulate growth that will create jobs and prosperity for everyone who lives, works and does business in the region.
- Develop strategy and policy aimed at meeting both the current and future needs of the region's economy.
- Deliver schemes that support businesses and accelerate growth.

2.3 The West Yorkshire Combined Authority and the LEP

The West Yorkshire Combined Authority (Combined Authority) and the LEP work in partnership to achieve their shared goals. There are several practical ways in which this happens, notably:

- One member of the LEP Board is a member of the Combined Authority.
- The Mayor, as well as chairing the Combined Authority is a member of the LEP Board.
- The Strategic Economic Framework (SEF) details the priorities of both the Combined Authority and LEP (see section 2.5 below).
- West Yorkshire council leaders are members of the Combined Authority and the LEP.
- The Assurance Framework is adopted by both the Combined Authority and the LEP and applies across all programmes and schemes managed by Combined Authority and the LEP.
- The Chief Executive of the Combined Authority is also the Chief Executive Officer of the LEP.

2.4 Accountability

As a Mayoral Combined Authority, the Combined Authority has a democratic mandate to invest in its local area. The directly elected Mayor provides a single point of accountability for residents and is held responsible for their decisions

⁴The exercise of these functions are subject to separate assurance processes, and do not therefore come under this Assurance Framework.

⁵ The Mayor exercises Police and Crime Commissioner functions, but the exercise of those functions is subject to separate assurance processes and do not fall within the scope of this Assurance Framework.

through the local elections, as well as through the Combined Authority's Overview and Scrutiny Committees.

The Combined Authority is the accountable body for the Single Investment Fund (SIF), which means it is directly accountable to Government for complying with any conditions or requirements attached to funding.

In addition, the Combined Authority is the accountable body for the LEP, responsible for:

- Carrying out finance functions on behalf of the LEP.
- Oversight of the LEP's financial and governance, transparency and accountability arrangements.
- Providing additional support as agreed by the LEP.

Appendix 2 to this Assurance Framework sets out the specific roles and responsibilities of the Combined Authority as the accountable body for the LEP.

The statutory Section 73⁶ Chief Finance Officer of the Combined Authority as the accountable body, is responsible for overseeing the administration of the Combined Authority's financial affairs. This role is extended to include the financial affairs of the LEP.

The Section 73 Chief Finance Officer also has a critical role in maintaining good governance and standards for the LEP, in particular compliance with this Assurance Framework.

Appendix 3 to this Assurance Framework sets out the responsibility arrangements agreed by the Chair of the LEP and the LEP's Chief Executive Officer with the Section 73 Chief Finance Officer, recognising the role of the Section 73 Chief Finance Officer in relation to instilling good and proportionate LEP governance, including the oversight of the proper administration of the LEP's financial affairs

2.5 Geography

The West Yorkshire Combined Authority and LEP cover the same geographical area, namely the districts of Bradford, Calderdale, Kirklees, Leeds, and Wakefield. The Assurance Framework applies across all programmes and schemes managed by the Combined Authority and the LEP, some of which cover a broader geography than these five districts.

The Combined Authority and LEP will continue to explore opportunities for further collaboration with partner councils, including Harrogate Borough Council, Craven District Council, Selby District Council, City of York Council and North Yorkshire County Council, and across the whole of Yorkshire through the Yorkshire Leaders' Board.

⁶ Section 73 of the Local Government Act requires the Combined Authority to appoint an officer to be responsible for the proper administration of the authority's financial affairs. This role is carried out by the Combined Authority's Director of Corporate Services.

2.6 Strategic Economic Framework (SEF)

In September 2020, the Combined Authority and the LEP agreed to formally adopt the SEF as the overarching strategic framework for the region, replacing the Strategic Economic Plan (SEP) in March 2021.

The SEF will guide investment decisions. It has been designed to be flexible and agile, able to contain a range of policies and be easy to amend and expand. It brings together existing and subsequent policies and strategies under a single banner, ensuring greater alignment between our strategies, priorities and vision for the City Region. To allow for greater flexibility in the SEF, it is not a single, published document but is hosted on the Combined Authority's [website](#).

It sets out our vision for West Yorkshire to be “recognised globally as a place with a strong, successful economy where everyone can build great businesses, careers and live supported by a superb environment and world-class infrastructure.”

Five priorities have been set to achieve this:

- **Boosting productivity** - Helping businesses to grow and bringing new investment into the region to drive economic growth and create good jobs.
- **Enabling inclusive growth** - Enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns.
- **Tackling the climate emergency** - Growing our economy while cutting emissions and caring for our environment.
- **Delivering 21st century transport** - Creating efficient transport infrastructure to connect our communities, making it easier to get to work, do business and connect with each other.
- **Securing money and powers** - Empowering the region by negotiating a devolution deal and successfully bidding for substantial additional funds.

All our policies and strategies work toward meeting at least one of these priorities.

2.7 West Yorkshire Investment Strategy

The West Yorkshire Investment Strategy (WYIS) sets out the transformational investments that the Combined Authority will commit resources to, and the process required to make those investment decisions over an agreed investment period. The WYIS, as well as setting out the context, objectives and targets of the Combined Authority derived from the SEF, will also identify the criteria that will be used to select and prioritise schemes:

- Investments with the highest potential contribution to the Combined Authority's targeted objectives and outcomes.
- Selection of schemes must also be driven by those which support inclusive growth, our climate emergency ambitions, drive social value,

tackle market failure, maximise value for money and provide different kinds of return to the SIF.

- The SIF should be guided by the funder of last resort principle - demonstrating a clear strategic case for public investment.

The design of the SIF should not mean an equal share across themes or geographies and therefore Places could expect to benefit in different ways and at different times.

The WYIS was approved by the Combined Authority on 24 June 2021.

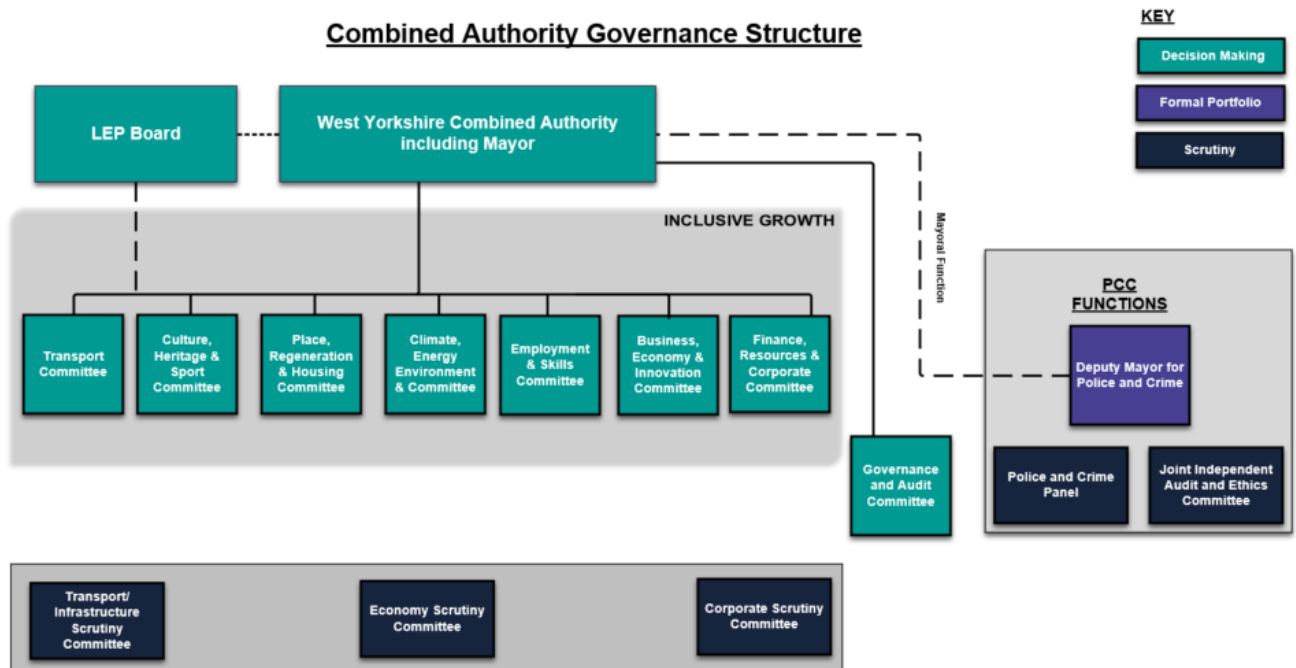
3 Governance

The principal decision-making bodies for the Leeds City Region are the Combined Authority and the LEP.

A structure chart of the Combined Authority and the LEP is set out below.

Committees and Panels concerned with the Mayor’s Police and Crime (PCC) Functions are subject to separate assurance processes and do not fall within the scope of this Assurance Framework.

Governance structure



3.1 The West Yorkshire Combined Authority

Appendix 4 sets out the governance arrangements of the Combined Authority, including membership. The Mayor by virtue of their office is a member and the Chair of the Combined Authority.

The Mayor is responsible for carrying out some specific functions (Mayoral Functions). The Combined Authority is responsible for any function of the Combined Authority which is not the responsibility of the Mayor (any Non-Mayoral Function).

Decisions on Non-Mayoral Functions may be taken:

- **By the Combined Authority**, (that is, at a meeting of the members of the Combined Authority acting collectively), or
- **By a committee** of the Combined Authority which has delegated authority for the function,

- Under **joint arrangements** with other local authorities, or
- **By an officer** of the Combined Authority under delegated authority.

The Mayor’s vote is required in support of any decision taken at a meeting of the Combined Authority about any Non-Mayoral Function which the Combined Authority acquired when it became a Mayoral Combined Authority, that is, further to the devolution deal.

Any decision about a Mayoral Function (that is a function which is the responsibility of the Mayor) must be taken by the Mayor, or by

- The Deputy Mayor,
- Another member of the Combined Authority, under delegated authority from the Mayor, or
- An officer of the Combined Authority under delegated authority from the Mayor.

3.2 The LEP Board

The LEP is responsible for setting strategic direction and will hold partners to account in the delivery of the strategic objectives. Responsibility for LEP decision-making rests with its LEP Board⁷, the decision-making forum for the LEP.

The LEP’s Constitution can be found [here](#).

Appendix 4 provides information about the membership arrangements of the LEP Board.

3.3 Decision-making committees

In addition to the Combined Authority and the LEP Board, the following committees have decision-making powers:

Transport Committee	<p>This Committee is authorised to carry out any Non-Mayoral Function of the Combined Authority relating to transport including any function of the Combined Authority in its role as local transport authority, travel concession authority or transport authority, where the cumulative total of the financial approval and tolerance is within the threshold agreed by the Combined Authority.</p> <p>The Committee also has a specific role in liaising with the Climate, Energy and Environment Committee and the Place, Regeneration and Housing Committee to secure the decarbonisation of transport infrastructure.</p>
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⁷ The LEP Board may delegate decisions in accordance with the LEP’s Constitution and the LEP Board’s Procedure Rules

	<p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here.</p>
<p>Culture, Heritage and Sport Committee</p>	<p>This Committee is authorised to carry out any Non-Mayoral Function of the Combined Authority relating to culture, heritage and sport where the cumulative total of the financial approval and tolerance is within the threshold agreed by the Combined Authority.</p> <p>The Committee also has a specific role in liaising with the Place, Regeneration and Housing Committee in relation to infrastructure planning for culture, heritage and sport to promote the visitor economy and support heritage schemes.</p> <p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here</p>
<p>Place, Regeneration and Housing Committee</p>	<p>This Committee carries out any Non-Mayoral Functions which promote quality of place through spatial infrastructure planning for transport, strategic land use and asset management where the cumulative total of the financial approval and tolerance is within the threshold agreed by the Combined Authority. It also carries out the Combined Authority’s role as lead authority for One Public Estate Programme and acts as a Housing and Land Board.</p> <p>The Committee has a role in decarbonisation of infrastructure, planning for sustainable development and flood risk management in liaison with the Climate, Energy and Environment Committee.</p> <p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here.</p>
<p>Climate, Energy and Environment Committee</p>	<p>This Committee carries out Non-Mayoral Functions relating to green and blue infrastructure, climate resilience and emission reduction and the development of any regional flood resilience plan where the cumulative total of the financial approval and tolerance is within the threshold agreed by the Combined Authority.</p> <p>The Committee will liaise with Place, Regeneration and Housing Committee and Transport Committee to progress decarbonisation of infrastructure and planning for sustainable development.</p> <p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here.</p>

<p>Employment and Skills Committee</p>	<p>This Committee carries out Non-Mayoral Functions relating to employment, skills, and adult education, and serves as the Skills Advisory Panel for the LEP where the cumulative total of the financial approval and tolerance is within the threshold agreed by the Combined Authority.</p> <p>It has a specific responsibility to liaise with the Business, Economy and Innovation Committee to ensure good employment, skills and training.</p> <p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here.</p>
<p>Business, Economy and Innovation Committee</p>	<p>This Committee is authorised to carry out Non-Mayoral Functions which promote business growth and productivity, provide business support and drive trade and inward investment where the cumulative total of the financial approval and tolerance is within the threshold agreed by the Combined Authority.</p> <p>It is required to liaise with the Employment and Skills Committee to secure good jobs, skills and training and ensure good employment.</p> <p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here.</p>
<p>Finances, Resources and Corporate Committee</p>	<p>This Committee is authorised to carry out Non-Mayoral Functions including asset management, human resources and information and communication technology where the cumulative total of the financial approval and tolerance is within the threshold agreed by the Combined Authority. This includes equality, diversity and inclusion, health and safety and issues which fall outside of the terms of reference of any other committee.</p> <p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here.</p>

3.4 Other committees of the Combined Authority

The Combined Authority also has the following committees:

<p>Overview and Scrutiny Committees:</p>	<p>These are three statutory committees of the Combined Authority which reviews and scrutinises decision-making by the Combined Authority (including in its role as accountable body for the LEP) and the LEP. See below and further section 5.8 and 5.9 for more detail.</p>
<p>Transport/</p>	<p>This Overview and Scrutiny Committee is responsible for the scrutiny of any functions relating to transport, or any transport-related function, or any function relating to place, regeneration and housing.</p>

Infrastructure Scrutiny Committee	The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found here .
	This Overview and Scrutiny Committee is responsible for the scrutiny of any functions relating to: <ul style="list-style-type: none"> • business, economy, and innovation, • climate, energy, and the environment, • culture, heritage and sport industries, and • employment and skills,
Economy Scrutiny Committee	The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found here .
	This Overview and Scrutiny Committee is responsible for the scrutiny of any functions relating to finance, resources, or corporate issues, or, any function that does not fall within the terms of reference of any other Overview and Scrutiny Committee.
Corporate Scrutiny Committee	The terms of reference, membership, meeting dates, agenda items and minutes of this Overview and Scrutiny Committee can be found here .
Governance and Audit Committee	This committee fulfils the Combined Authority’s statutory requirement to appoint an audit committee. It also carries out functions relating to promoting standards of conduct. See further section 5.7.
	The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found here .

3.5 Adult Education and Skills

There are separate assurance arrangements in place for administering the adult education and skills functions of the Adult Education Budget (AEB) provided by the Department of Education (DfE). Further detail on the separate arrangements for the AEB are provided in Annex C of the National Local Growth Assurance Framework. The assurance process as set out in section 7 of this Assurance Framework does not therefore apply.

A summary of the arrangements for administering, monitoring and evaluating the AEB is set out in **appendix 7** to this Assurance Framework.

4 Decision-making

4.1 Investment Decisions

All investment decisions are made by reference to:

- How well they contribute to the strategic priorities as set out in the SEF and the West Yorkshire Investment Strategy (when approved).
- Statutory requirements.
- Any grant conditions attached to funding.
- Local transport objectives.
- Funding programme objectives.

Decisions are based on merit, taking into account all relevant information.

All investment decisions are taken in accordance with the assurance process stages and activities, subject to agreed exceptions (such as bids to Government / re-prioritisation, small grant programmes, adult education functions, where alternative arrangements are in place).

Section 7 of the Assurance Framework sets out in detail the assurance process for schemes, and the **decision points** that take place at the end of each activity.

Any investment decision which has not been delegated (including those decisions where a scheme has fallen outside of the tolerances identified by the Combined Authority) must be taken by the Combined Authority.

The Combined Authority sets a bespoke approval pathway and approval route to be followed for each scheme. This may delegate decisions to any of the Combined Authority's decision-making committees, or to the Chief Executive, subject to any scheme staying within agreed tolerances.

Except where otherwise specified in this Assurance Framework all programmes and schemes require **approval from the Combined Authority at Decision Point 2** (Strategic Outline Case (SOC)), in order to proceed to Stage 2 (Scheme Development).

Before taking any funding decision, a decision-maker needs to be satisfied that the Assurance Framework has been complied with. The Combined Authority's Strategic Assessment Prioritisation (SAP) group and the Programme Appraisal Team (PAT) have a key role in ensuring compliance with the Assurance Framework, see Section 7 below.

The Committees of the Combined Authority have authority to make any decision to progress a scheme⁸ under the Assurance Framework⁹ in accordance with any

⁸ Including determining change requests

⁹ After decision point 2 (SOC) only

bespoke approval pathway and approval route for the scheme¹⁰, as delegated by the Combined Authority

Any investment decision taken by the Chief Executive under delegated authority, is usually taken in consultation with the Combined Authority’s Senior Leadership Team. The Chief Executive reports delegated decisions to the appropriate decision-making committee as delegated to by the Combined Authority at Decision Point 2.

4.2 Business Support Service, Economic Development Loans and Business Grants

There are currently specific arrangements in place in relation to the approval and appraisal of business grants and economic development loans, which are not therefore subject to the assurance process set out in section 7.

<p>Business Support Service</p>	<p>The Business Support Service for the City Region is funded directly from the Department for Business, Energy and Industrial Strategy (BEIS), with £350,000 awarded for 2022/23 for the Leeds City Region operation and £40,000 for the CA’s role as Growth Hub cluster lead for Yorkshire. This is 50% reduction in the BEIS funding received for 2021/22, which resulted in the CA underwriting circa £300k of delivery costs for 22/23. Additional funding of £1.7m has been secured from the European Regional Development Fund (ERDF) from April 2019 to June 2023.</p> <p>20 SME Growth Managers operate within the City Region’s local authority partner councils (the five WY ones, plus Harrogate and York). 9 Growth Managers are fully funded through ERDF funding and 11 are funded on a 50 / 50 basis via the CA underwrite of circa £300k.</p> <p>Progress on the Business Support Service project is reported on a quarterly basis to the Business, Economy & innovation Committee (BEIC), and as required on a 6-weekly basis to the LEP Board by the BEIC Chair (who is the Leader of Kirklees Council). There is also a private sector lead on the BEIC, who is the owner of a small business in West Yorkshire. The BEIC is responsible for reviewing whether the project’s output and expenditure targets are met and for identifying and addressing risks and opportunities. In addition, detailed six-monthly reports and quarterly financial claims are sent to BEIS and the Department for Levelling Up Communities and Housing.</p>
<p>Economic Services Loans & Equity</p>	<p>The CA has recently procured a fund manager (the Foresight Group) to deliver the new £20m SME Investment Fund. The fund is providing loans and equity investment to SMEs from £50k to</p>

¹⁰ With the exception of those cases where the decision would result in a revised financial approval which exceeded the cumulative total of the financial approval and tolerance threshold agreed by the Combined Authority at decision point 2 (SOC), or decision point 3 (OBC) by more than 25%, in which case the decision must be taken by the Combined Authority.

	£2m with the aim of generating a commercial return for the CA and supporting economic growth. All decisions on the investments made into SMEs by the fund have been delegated to Foresight as part of their contract with the CA. The BEIC and LEP Board will receive regular progress reports and will provide oversight and scrutiny of the fund and its delivery.
Economic Services Grants	Arrangements in relation to economic services grants are set out in Appendix 5.
ESIF Sustainable Urban Development (SUD)	Arrangements relating to the principles for European Structural Investment Fund Sustainable Urban Development (SUD) purposes are set out in Appendix 6.

5 Transparency and Accountability

The Combined Authority and the LEP are mindful of the need to build the trust and confidence of stakeholders and the public, in relation to the ability to take investment decisions. Promoting transparency in its decision-making is a key part of this. We are committed to keeping records which demonstrate that all legal obligations are met, and all other compliance requirements placed upon us, and these are accessible as set out below.

The Combined Authority designates a statutory Monitoring Officer who is responsible for ensuring that decisions conform to the relevant legislation and regulation¹¹. This role is carried out by the Combined Authority's Head of Legal and Governance Services, who is responsible for providing legal advice to the Combined Authority and the LEP. A key part of the Monitoring Officer's role is ensuring that the legal responsibilities of the Combined Authority as accountable body in relation to ensuring the transparency provisions are met, as set out below.

The Monitoring Officer also has a key role in relation to conduct, including maintaining and publishing registers of interest for the Combined Authority and the LEP – see further below.

5.1 Publication of Information

For transparency, the Assurance Framework is published on the West Yorkshire Combined Authority and LEP websites, together with supporting information.

The Combined Authority website, which is accessible from the LEP website, contains details of our West Yorkshire Investment Strategy (WYIS), Strategic Economic Framework (SEF) and its underpinning policies and strategies as well as information relating to progress on delivery of all programmes.

An overview of all scheme business cases and evaluation reports are published on the [Combined Authority website](#). These scheme pages also include links to relevant news articles. The Combined Authority is committed to meeting the Government branding guidelines for projects under this Assurance Framework.

Summaries of business cases to be considered by the West Yorkshire and York Investment Committee as part of the assurance process are published electronically ahead of meetings.

5.2 Combined Authority Transparency Arrangements

Specific statutory requirements apply to the Combined Authority in relation to transparency. Additionally, the Combined Authority also complies with a number of good practice recommendations. The key arrangements in place are:

¹¹ The Monitoring Officer is required by law to formally report to the Combined Authority where it appears to the Monitoring Officer that any proposal, decision or omission of the Combined Authority is unlawful or amounts to maladministration.

- The public's right to attend meetings and inspect documents of the Combined Authority as set out in its Procedure Standing Orders.
- Meetings of the Combined Authority are live streamed, enabling the public to watch the meeting over the internet.
- Agendas and reports of meetings of the Combined Authority and its committees (including advisory panels) are available to the public on its website, five clear days before a meeting [here](#).
- Minutes of meetings are published on the Combined Authority website [here](#).
- Business case summaries of all schemes / programmes coming forward for a decision are published on its website. Summaries of schemes / programmes can be found [here](#).
- Key decisions taken by officers are published on the Combined Authority website [here](#).
- The Combined Authority adheres to the Local Government Transparency Code which requires the publication of additional data.
- The business at each ordinary meeting of the Combined Authority includes receiving the minutes of the LEP for information.

Notice of any proposed key decision is published on the Combined Authority website 28 days in advance of the decision, in accordance with the Access to Information Rules in Part 4 of the Constitution [here](#). This includes any decision taken under the decision points of the assurance process as set out in section 7 of this Assurance Framework.

5.3 LEP Transparency Arrangements

The LEP is responsible for setting strategic direction and will hold partners to account in the delivery of the strategic objectives. Responsibility for LEP decision-making rests with its LEP Board¹².

Key roles and responsibilities of the LEP Board can be found at Appendix 4 setting the strategic direction for the sustainable economic growth of the City Region economy.

- Proposing key objectives and investment priorities to deliver the overall vision and strategy of the LEP.
- Overseeing the continued delivery of the SEP along with the transition to and implementation of the SEF during 2020.
- Leading the development of Enterprise Zones (Ezs) in the City Region.
- Agreeing funding criteria, leading and coordinating funding bids and leveraging funding from the private and public sector to support the delivery of agreed LEP priorities.

¹² The LEP Board may delegate decisions in accordance with the LEP's Constitution and the LEP Board's Procedure Rules

- Working with the Combined Authority to set the forward strategy for attracting new financial and business investment into the area.
- Jointly approving a Business Plan and performance reporting with the Combined Authority on its plans along with the SEP and SEF.
- Influencing key sub-regional, regional, national and international strategies.
- Publishing an annual report.
- Providing a link to Government on all aspects of the LEP's work.

Additional information on the LEP's transparency and accountability arrangements is set out in Appendices 2, 3 and 4.

Agendas, reports and minutes of the LEP Board are published on the [Combined Authority website](#), which is also accessible from the LEP website.

The [LEP Board procedure rules](#) and Access to Information rules in Part 4 of the Constitution set out the details on decision-making including quorum arrangements for meetings of the LEP Board. All meetings of the LEP Board are open to the public (including the LEP's annual meeting), except to the extent that the public are excluded in relation to confidential or exempt information, in accordance with the Procedure Rules and Access to Information Rules⁶.

A process for the LEP Chair to take urgent decisions outside of LEP Board meetings is set out in the [LEP Constitution](#). This provides for any such decisions to be reported to the next meeting of the LEP Board and recorded and published in the minutes of that meeting. This power may be exercised, for example, to approve amendments to the LEP governance documents, in order to comply with government requirements.

The business at each LEP Board meeting also includes receiving the minutes of, or an update from, the Combined Authority and its committees.

5.4 Diversity Statement

Leeds City Region is committed to achieving diversity and equality of opportunity both as a partnership and as a commissioner of services. The LEP promotes equality of opportunity and does all it can to ensure that no member of the public, service user, contractor or staff member working within a partner organisation will be unlawfully discriminated against.

We aim to integrate diversity and equality into all that we do, and the work that others do on behalf of the Leeds City Region. In practice this means doing what we can to positively promote equality and diversity across the delivery of projects, programmes and services and in relation to our own structure. The Equality and Diversity Policy including Diversity Statement can be found [here](#).

5.5 Requests for Information and Data Protection

The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and responds to statutory information requests in accordance with approved procedures.

The Combined Authority also deals with any requests for information from the LEP on its behalf, in accordance with the same procedures. Further information on the Combined Authority's Freedom of Information / Environmental Information Regulations & Transparency Policy can be found [here](#).

The Combined Authority is subject to the General Data Protection Regulation and Data Protection Act 2018 and must by law appoint a Data Protection Officer (DPO). The DPO¹³ assists the Combined Authority on the monitoring of compliance with the data protection legislation, advises on data protection obligations, provides advice regarding Data Protection Impact Assessments and is the contact point for data subjects and the supervisory authority.

The Combined Authority and the LEP respect and are committed to compliance with the Data Protection legislation. The privacy notice can be found [here](#).

Requests made by data subjects under the General Data Protection Regulation and Data Protection Act 2018 will be dealt with in accordance with approved procedures.

The Combined Authority's Data Protection and Confidentiality Policy can be found [here](#).

5.6 Use of Resources and Accounts

The use of resources by the Combined Authority are subject to the usual local authority checks and balances, including the financial duties and rules which require councils to act prudently in spending. These are overseen by the Combined Authority's Section 73 Chief Finance Officer¹⁴, its Director of Corporate Services. This post has statutory responsibility to administer the Combined Authority's financial affairs and is responsible for ensuring that funding is used legally and appropriately. The Section 73 Chief Finance Officer's role extends to the LEP – see further Section 2.4 above and Appendix 3. All reports to the LEP Board must include any written advice on the matter provided by the Combined Authority's Section 73 Chief Finance Officer and Monitoring Officer.

The Combined authority has clear accounting processes in place to ensure that all funding sources are accounted for separately and that funds can only be used in accordance with formal approvals made under the Combined Authority and LEP decision-making arrangements.

The Combined Authority has a statutory duty to keep adequate accounting records and prepare a statement of accounts in respect of each financial year. This

¹³ The DPO sits within the Combined Authority's Legal and Governance Services team

¹⁴ Appointed under Section 73 of the Local Government Act 1985

statement of accounts is published [here](#) usually in June in draft and in July as fully audited, although this may change in accordance with legislative requirements. The statement will cover expenditure funded from the Single Investment Fund and other funding sources, including those received from Government. A separate financial statement for LEP expenditure is published annually in line with the timeframe for the statement of accounts.

The Combined Authority publish a public notice each year, setting out a specific period during which any person may inspect and make copies of the Combined Authority's accounting records for the financial year.

During the same period, the external auditor must give a local Government elector (someone registered to vote in the local elections) within West Yorkshire (or their representative) an opportunity to question the external auditor about the accounting records, and objections may be made to the external auditor about any relevant item.

5.7 Audit

The Combined Authority complies with statutory requirements relating to audit arrangements, principal elements of which are:

- Appointing an **audit committee**
- Inspection by **external auditors**
- Adopting **internal audit arrangements**

These audit arrangements apply to the LEP and to LEP funding in respect of which the Combined Authority is the accountable body.

The Combined Authority's Governance and Audit Committee fulfils the requirement to appoint an **audit committee**. By law this must include at least one independent person. The membership now includes two independent persons and one of these has been appointed to chair the Committee in the current municipal year.

The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found [here](#).

An annual independent audit is conducted by **externally appointed auditors** ensuring the Combined Authority operates a robust financial management and reporting framework, including in relation to the LEP.

The Combined Authority's **internal audit** function carries out independent and objective appraisals of relevant systems and processes, including ensuring that effective procedures are in place to investigate promptly any alleged fraud or irregularity. The Combined Authority's internal auditors provide assurances to the Combined Authority (through its Governance and Audit Committee, the Section 73 Chief Finance Officer) and to the LEP.

The Combined Authority's financial regulations set out further detail in relation to the Combined Authority's audit arrangements (found [here](#)).

5.8 Scrutiny

To secure independent and external scrutiny of decisions, the Combined Authority's statutory Overview and Scrutiny Committees (Corporate, Economy and Transport/Infrastructure) review and scrutinise decision-making by the Combined Authority (including decisions taken by the Mayor) and by the LEP.

No member of the Combined Authority or the LEP may be appointed to any Overview and Scrutiny Committee. The terms of reference, membership, meeting dates, agenda items and minutes of the Committees can be found here [Corporate Scrutiny Committee](#), [Economy Scrutiny Committee](#), [Transport/Infrastructure Scrutiny Committee](#).

The Committees operate in accordance with Scrutiny Standing Orders, which can be found [here](#). These provide for the Committees to require any member of the Combined Authority (including the Mayor, the LEP Member or a Chair of any committee or Panel) to attend to answer questions or provide information.

The Combined Authority and the LEP receive an annual report from the Committees at their annual meetings.

Scrutiny of investment decisions

The pre-decision scrutiny review process serves as an important function in parallel to the assurance process.

With the exception of any decision which the decision-maker has resolved is urgent, the Overview and Scrutiny Committee may "call in" decisions for further scrutiny, including investment decisions which are taken:

- By the Combined Authority, or
- By a Committee, or
- By an officer, where the decision is a key decision.

The Committee may direct that any such decision should not be implemented until the Committee has reviewed it and made recommendations to the decision-maker.

Scrutiny of the LEP

The Committees may produce independent reports and make recommendations on any matter considered by the LEP or relating to LEP governance. It may also review or scrutinise any Combined Authority decision in its role as accountable body for the LEP.

The LEP may also seek input from any of the three Committees on any issue relating to policy and strategy development, or otherwise.

Further details on the LEP's agreement with the Combined Authority (in its role as Accountable Body) in respect of scrutiny arrangements are set out in Appendix 2.

5.9 Code of Conduct

Statutory provisions require the Combined Authority to adopt a Members' Code of Conduct which applies to members of the Combined Authority, including the Mayor, and to voting members of committees and panels appointed by the Combined Authority, including the advisory panels which report to the LEP. The Code sets out the conduct expected of members, including procedures for declaring and registering:

- Acceptance or receipt of a gift or hospitality.
- Disclosable pecuniary interests, which are defined by the code.

The Code is publicly available [here](#).

Failing to comply with requirements for registering and disclosing pecuniary interests may be a criminal offence.

Members' interests are publicly available on the Combined Authority website through each of the Committee home pages [here](#).

The Combined Authority has also approved arrangements under which allegations that the Code has been breached can be investigated and for making decisions on such allegations. These can be found [here](#).

The LEP is committed to ensuring that LEP Board members and officers demonstrate the highest standards of conduct, and act solely in the public interest.

All LEP Board members are subject to a LEP Board Members' Code of Conduct here which reflects the Nolan Principles of public life.

The LEP Board Code of Conduct also requires LEP Board members to declare and register:

- Acceptance or receipt of an offer of a gift or hospitality.
- Specific pecuniary and non-pecuniary interests.

A register of the interests disclosed by each LEP Board member is accessible from the [LEP website](#) and published on the [Combined Authority website](#), as is the Register of gifts and hospitality for LEP Board members. The Code sets out comprehensive requirements in relation to declaring interests at meetings, and the circumstances in which a conflict of interest will preclude a LEP Board member from participating in decision-making.

At the beginning of each meeting, all members present are asked to declare any potential conflict of interest. These declarations are minuted.

The LEP has also approved arrangements under which allegations that the Code of Conduct has been breached can be investigated and for making decisions on such allegations. These can be found [here](#).

5.10 Conflict of Interest

The Combined Authority and the LEP have adopted a Conflicts of Interest Policy which provides an overview of how conflicts of interest are managed. Appended to the Policy is a Conflicts of Interest Protocol: loans or grants to businesses which sets out a process which the Combined Authority and the LEP follow to demonstrate that applications from businesses for loans or grants are dealt with in an impartial, fair and transparent way [here](#).

Officers

Combined Authority officers serve both the Combined Authority and the LEP. Officers must comply with the Combined Authority's Code of Conduct for Officers, which also reflects the Nolan Principles of public life and requires officers to register personal and prejudicial interests. Officers also need to comply with a Gifts and Hospitality policy. Failure to comply with the Code may lead to disciplinary action.

Senior officers and other officers involved in advising on LEP decisions are also required to complete and keep under review a separate LEP Officer register of interests. The register of the LEP's Chief Executive Officer is published on the LEP website [here](#).

5.11 Complaints Policy

The Combined Authority will consider any complaints received in accordance with its agreed complaints procedure, which can be found [here](#).

Any complaints about the LEP will be dealt with in accordance with the approved complaints process. The LEP has adopted a confidential complaints procedure, which can be found [here](#).

5.12 Whistleblowing Policy

The Combined Authority has adopted a whistleblowing policy, which can be found [here](#) to investigate and resolve any case where it is alleged by stakeholders, members of the public or internal whistle-blowers that the Combined Authority is acting in breach of the law, failing to adhere to the framework or failing to safeguard public funds. The LEP has adopted a whistleblowing policy, which can be found [here](#).

5.13 Resources and Capabilities

The Combined Authority and the LEP ensure that members and officers have the capacity and capability to deliver their respective roles. They support people to develop their expertise and update it to take account of developments.

The Combined Authority has the necessary staff resource with the necessary key functions to enable it to:

- Manage the process, including supporting business case development.
- Carry out programme and project appraisal.

- Co-ordinate and manage the decision process (e.g. time of meetings and associated paperwork).
- Oversee the delivery, monitoring and evaluation of schemes (e.g. benefits realisation management, financial and resource management, risk).

The Combined Authority draws on external expertise and technical support such as financial, economic, property, legal and evaluation advice, for example through consultancy frameworks or from partner organisations including Homes England, local authorities, Skills Funding Agency, and others

6 Local Engagement and Partnership Working

6.1 Local Engagement

Engagement with stakeholders and the wider public is regarded as a central part of the process to develop, monitor and implement strategies, funding programmes and all other aspects of the work of the Combined Authority and the LEP.

To support this process, a set of consultation and engagement protocols have been developed and the Consultation and Engagement team work with colleagues to ensure these principles are applied in any consultation and engagement activities that are undertaken. As well as carrying out insightful and robust consultation and engagement activities, relevant legislation must be adhered to. Partners are encouraged to adhere to these protocols where possible.

Engagement with stakeholders and the wider public is as inclusive as possible, using the following principles:

- Stakeholders and members of the public are aware of the approach to consultation and activities.
- Stakeholders and members of the public are able to have their say on proposals when they are still at a formative stage.
- Consultation is open, transparent and accessible.
- The consultation process is well planned, managed and coordinated and achieves value for money.
- Consultation is effective, meaningful and of a consistently high quality.
- Consultation feedback is properly considered, and outcomes are reported in a timely way.

To support any face-to-face engagement, a digital engagement hub ([yourvoice](#)) has been developed that enables information to be shared and feedback sourced electronically in a more interactive way.

Stakeholders are engaged in all work that the LEP and Combined Authority undertake. Regular updates are provided to existing panels and committees such as the District consultation sub committees.

As part of the LEP's work with business, a Business Communications Group (BCG) has been established, made up of representatives from key business organisations in the City Region. This group reports to the LEP Board. The group plays an active role in supporting business growth in the region by helping to coordinate effective communications between the LEP and the business community. The group also acts as an advisory group to the LEP Board; consulting with their members on barriers to growth and ensuring businesses are at the heart of all activities.

The Chair of BCG is the identified LEP Board member to represent the SME business community.

A Partnership Strategy has been developed and engagement and communication with partners takes place through a range of channels, including social media, press releases, websites, events and e-newsletters. Social media has been used particularly effectively for informal engagement on policy, future strategy and project development.

New methods to engage with key stakeholders, businesses and the public are continually sought, and effectiveness and lessons learnt are monitored.

6.2 Arrangements for Collaborative Cross-LEP Working

The LEP is committed to collaborating across boundaries, where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives. This helps to ensure a more efficient use of resources and secure a better outcome than operating in isolation.

The LEP collaborates with other neighbouring LEPs on many areas of its businesses and details about these collaborations, and further potential opportunities, are regularly reported to the LEP Board. The LEP is committed to working with the LEP Network.

7 Assurance Around Programme and Project Delivery

Leeds City Region Assurance Process

7.1 Overview

This section sets out how the assurance process is used in the development and delivery of all project and programme investments. The assurance process will be applied to the assessment of schemes and programmes that flow through Combined Authority and the LEP, drawing on current national guidance (e.g. HM Treasury Green Book, DfT TAG and DLUHC Appraisal Guidance).

The assurance process (set out below) has three stages; Stage 1: Assessment and Sequencing, Stage 2: Scheme Development, Stage 3: Delivery and Evaluation. It provides a practical 'step-by-step' framework to aid the development of business cases, to ensure successful delivery and to enable monitoring and evaluation. The assurance process is transparent and proportionate and offers a structured process for appraising, developing, planning, delivering and evaluation that is in line with HM Treasury guidance to deliver best public value.

The assurance process is used by the following:

- **Scheme promoters:** it provides a pathway to allow promoters to develop proposals in a way that will ensure their schemes have a robust business case, show value for money and show that they address the Combined Authority's investment priorities.
- **Decision-makers:** it is a framework to provide the information they need to take investment decisions and to prioritise between different proposals in a clear and transparent manner.
- **Partners and the wider public:** to give confidence that there is a clear and transparent framework to appraise and prioritise schemes and to take investment decisions.

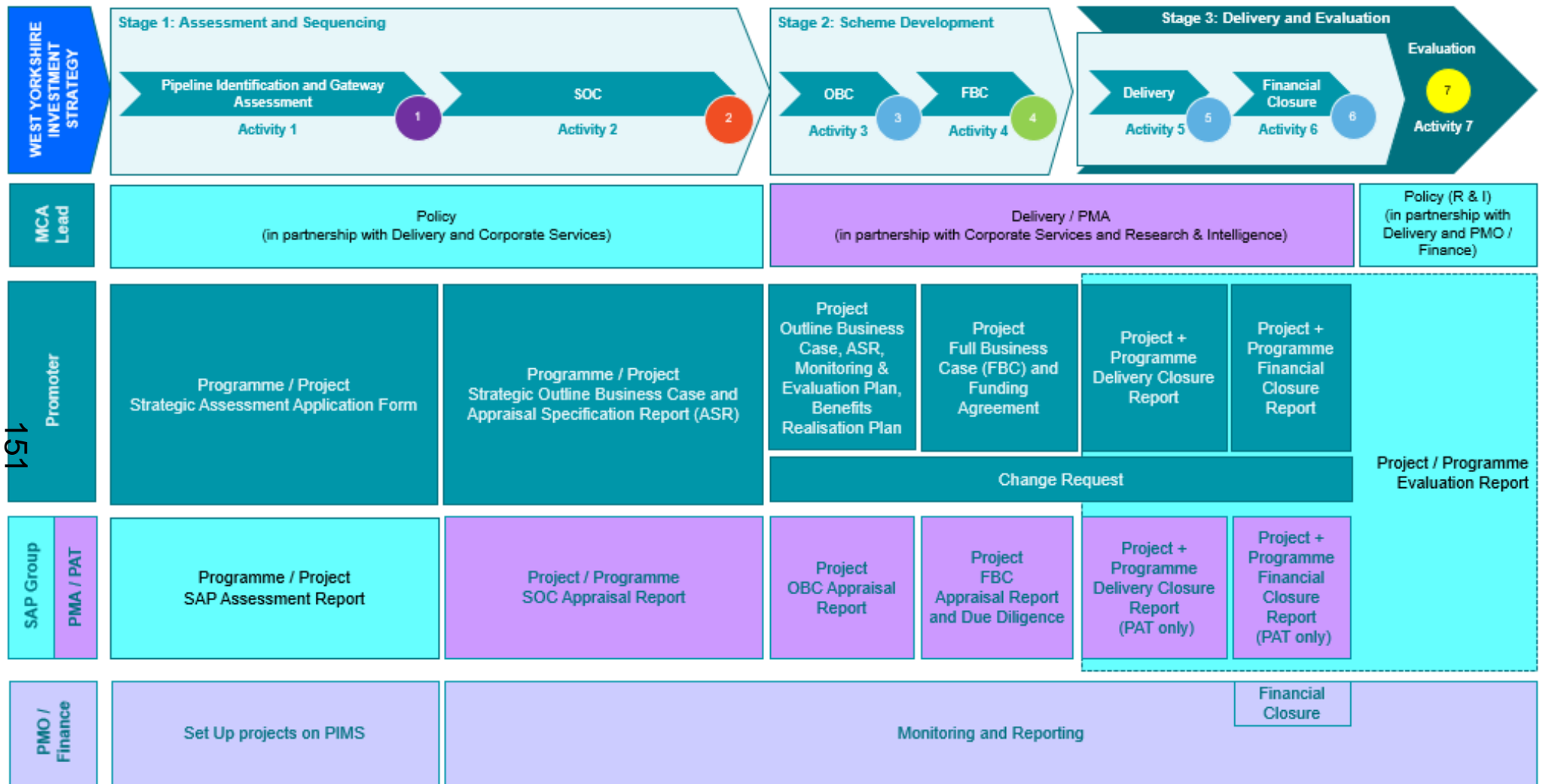
Under each stage outlined there are a series of activities (7 in total) that need to be carried out in order to progress each scheme. Whilst there are seven possible activities, not all would apply to all schemes and the process and intensity of appraisal applied can be tailored for each scheme depending on its type, scale and complexity, with the appropriate activities applied (e.g. not all schemes will be required to complete an outline business case (decision point 3); they could proceed straight to full business case (FBC), (decision point 4).

At the end of each activity, a scheme is required to go through a decision point (DP1 to DP6) or reporting point (DP7). It is here where a scheme is appraised using the HM Treasury 'five cases model'¹⁵. As such, scheme sponsors must demonstrate that a robust, accurate and compelling business case exists at each stage of the process (subject to the assurance pathway and approval route as recommended by the Combined Authority's Programme Appraisal Team (PAT)).

¹⁵ The HM Treasury "five cases model" includes the Strategic, Commercial, Economic, Financial and Management cases.

Subject to the exceptions, such as small grant programmes, for example, business growth grants and loans, where alternative arrangements are in place, all programmes and schemes require approval from the Combined Authority at Decision Point 2 (Strategic Outline Case (SOC)), in order to proceed to Stage 2: Scheme Development. It is at decision point 2 where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels.

Development funding for development of the next stage / activity can be approved at any decision point.



KEY: ● Key Decision Point (CA Approval Required) ● Key Decision Point (IC/CA Approval may be required) ● Decision Point (IC/CA Approval may be required) ● Decision Point ● Reporting Point

7.2 Stage 1: Assessment and Sequencing

Criteria for prioritisation

As set out in section 2 above, the aim of the Strategic Economic Framework (SEF) is to form the new overarching economic framework for the region, building on the successes of the Strategic Economic Plan (SEP). It sets out the vision for the region and our priorities for achieving this.

The West Yorkshire Investment Strategy (WYIS) will provide a vehicle for translation of the Combined Authority's SEF objectives, Recovery Plans, the Mayor's manifesto commitments and the City Region's devolution agreements in to funding and operating priorities that deliver the wider strategic aims of the Combined Authority, thus providing a sound basis for taking investment decisions. Partners will be able to apply for funding clearly aligned to our investment priorities.

The WYIS will be reviewed annually to take account of changing economic circumstances, updates to the SEF, what is working well and what is not, and new funding and investment opportunities which set out the focus for our investments as well as align with the Assurance Framework annual review.

Activity 1: Pipeline Identification and Gateway Assessment:

Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the WYIS. It will also ensure stakeholders are informed about the availability of funding the WYIS objectives, allow them to identify, develop and co-design project/programme opportunities from an early stage and apply for funding clearly aligned to our investment priorities. The LEP is expected to play an important role in identifying sector led opportunities.

Other avenues for potential schemes to access funding opportunities could be through either a commissioning process or through open calls with specified deadlines for submissions. Any commissioning or open calls will aim to address specific gaps to help the Combined Authority achieve its overall economic ambitions.

Programmes / schemes will be assessed on a case-by-case basis by the Strategic Assessment Prioritisation Group (SAP) to determine if they are eligible to proceed, through an early-stage gateway check and challenge review. The role of SAP is explained below in section 7. If programmes / schemes are eligible, they will be awarded '*approved development status*' (Decision Point 1) and will then progress to Strategic Outline Case (SOC) as part of the assurance process (Activity 2).

Programmes / schemes at this stage will be provided with feedback and can be rejected or deferred until further supporting information is provided. This is carried out by assessing strategic fit against the WYIS. The SAP Group will recommend a Strategic Assessment (SA) decision notification for approval by the Chief Executive (or by an officer under sub-delegated authority from the Chief Executive) (Decision Point 1).

The City Region's carbon emission reduction target was set in July 2019. This target commits the region to be net-zero carbon by 2038, with significant progress by 2030. Therefore, the vast majority of schemes funded by the Authority will be expected to contribute to this commitment. The Combined Authority has developed an approach

to carbon appraisal which forms an integral part of the Assurance Framework and features in all stages of business case development from SA through to FBC.

Activity 2: Strategic Outline Business Case (SOC):

Eligible programmes / schemes will, once awarded approved development status at Decision Point 1, submit a SOC whereby a full appraisal will be undertaken. At SOC scheme promoters will be expected to set out their proposed approach to establishing value for money (VfM) at a programme / scheme level for review by the Combined Authority before commencing to the next stage of the assurance process. For transport scheme, promoters will be required to submit an Appraisal Specification Report (ASR).

The SOC will be appraised by the Combined Authority's Portfolio Management and Appraisal Team and / or Research & Intelligence Team and a recommendation presented to the Programme Appraisal Team (PAT) for progression of the scheme.

The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the Investment Committee and Combined Authority.

It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

7.3 Stage 2: Scheme Development

Once a programme / scheme has gained SOC approval from the Combined Authority, the scheme will then be required to submit an Outline Business Case (OBC), unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme and put in place the arrangements to ensure successful delivery.

The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan, [Carbon Impact Assessment and Equality Impact Assessment](#). The Economic Case must be developed in consistency with the agreed ASR.

Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case.

The OBC will be appraised by the Combined Authority's Portfolio Management and Appraisal Team and a recommendation presented to the Programme Appraisal Team (PAT) for progression of the scheme. The role of PAT is explained below in section 7. The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision-maker (Decision Point 3) as set out in the approval pathway and route approved at Decision Point 2.

The Full Business Case (FBC) confirms the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at SOC or / and at OBC should be resolved within the FBC submission. If conditions have not been met, the scheme

may be required to return to Activity 3 (OBC). The Economic Case must be developed in consistency with the agreed ASR.

The FBC will be appraised by the Combined Authority's Portfolio Management and Appraisal Team and a recommendation presented to the Programme Appraisal Team (PAT) for progression of the scheme. The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision-maker (Decision Point 4) as set out in the approval pathway and route approved at Decision Point 2.

The FBC approval will be granted with a condition that the scheme remains within set tolerances. Where this condition has been met approval to proceed into Delivery (activity 5) will be granted by the Chief Executive (or by an officer under sub-delegated authority from the Chief Executive) following a recommendation from the Programme Appraisal Team (PAT). If the condition is not met, the project will be required to re-submit the FBC.

7.4 Stage 3: Delivery and Evaluation

Once a programme / scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).

Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs.

The Delivery Closure Report will be appraised by the Programme Appraisal Team (PAT) for progression of the scheme. The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision-maker (Decision Point 5) as set out in the approval pathway and route approved at Decision Point 2.

Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed.

The Financial Closure Report will be appraised by the Programme Appraisal Team (PAT) for closure of the scheme. The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision-maker (Decision Point 6) as set out in the approval pathway and route approved at Decision Point 2.

The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.

Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the Programme (or project in some circumstances), is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall programme objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and

strategy in order to inform the design and development of future programmes and schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

7.5 Change Requests

During any Stage / Activity, if a scheme requires additional funding, an increase in timescale or changes in scope, a change request is required to be submitted for the scheme to be re-appraised to ensure value for money is still being achieved.

Change requests will be appraised by the Combined Authority's Portfolio Management and Appraisal Team and a recommendation presented to the Programme Appraisal Team (PAT) for progression of the scheme. The change request will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision-maker, dependent upon the tolerances set out at Decision Point 2.

Appraisal

7.6 Who will undertake the appraisal of schemes?

The Combined Authority appraisal function

Each programme / scheme will be assigned a lead appraiser, who will be responsible for carrying out the objective appraisal of the business case. This may be done using expertise from the Combined Authority's Portfolio Management and Appraisal Team and / or Research & Intelligence Team, or where necessary bringing together expertise from within the Combined Authority or from external advisors and partners. This may cover financial, transport, economic, property, legal matters, and experience of the relevant priority areas of the SEP.

After the lead appraiser's appraisal, Business Cases and Change Requests will be further appraised by the Programme Appraisal Team (PAT) or the Strategic Assessment Prioritisation Group (SAP). The programme / scheme will then be presented to the decision-maker as set out in the approval pathway and route approved at Decision Point 2.

There will be a clear separation between the appraisal function and the project sponsor / promoter. This means that staff carrying out appraisal will not be involved in advising on project and business case development activity. As part of the appraisal process, scheme promoters will be engaged to review any key issues arising from the ongoing appraisal as appropriate.

The Combined Authority appraisal function, the SAP group and Programme Appraisal Team (PAT) scrutinise, and quality assure the process to ensure that the work undertaken is independent of the authority promoting the scheme.

Strategic Assessment Prioritisation Group (SAP)

The SAP is responsible for undertaking the assessment of potential schemes, for alignment and contribution to the policies and strategies of the Combined Authority, through the Strategic Assessment form that is submitted to the Combined Authority, at activity 1. The assessment will focus on how;

- A project / programme will address the key problem which a project / programme is seeking to address (and hence the reasons why the public sector should intervene and fund).
- Clarity and robustness of a schemes design - through a clearly designed logic chain – where the relationship between need and problem is clearly linked to outputs, impacts and outcomes much earlier in the design process.
- Manage the potential project development costs required.
- Establish and share potential innovation / collaboration opportunities with respective applicants. Any local best practice and knowledge sharing that can be used to enhance the proposal.

The SAP provide evidence and recommendations to the Director of Delivery and the Director, Strategy Communications and Policing on a decision for every Strategic Assessment submitted, for approval. The SAP agree any conditions that are required as part of a project / programme progressing through activity 1, and which, subject to approval, will form part of the Strategic Assessment certificate.

The SAP consists of a core membership representing Combined Authority policy, strategy and communications, finance, delivery and PMA functions. Attendance at SAP meetings is supplemented by appraisers, independent technical advisers, promoters and their advisors, and other attendees as required to supplement the decision-making process. Other officers may be invited onto the group, including relevant Policy Managers, depending upon the Strategic Assessment that is due to be submitted.

The SAP is an internal assurance group and has no formal approval making powers. The SAP make recommendations, which are then reported through the Combined Authority's governance arrangements for a formal decision.

Programme Appraisal Team (PAT)

The Programme Appraisal Team (PAT) is comprised of West Yorkshire Combined Authority officers who oversee the assurance process as schemes / programmes progress through it.

The PAT consists of a core membership representing Combined Authority programme delivery, PMA, policy, economic, legal, and financial functions. Attendance at PAT meetings is supplemented by case officers, independent technical advisers, promoters and their advisors, and other attendees as required to supplement the decision-making process.

The PAT is an internal officer assurance group and has no formal approval making powers. The PAT make recommendations, which are then reported through the current Combined Authority governance arrangements for a formal decision.

7.7 Who will approve schemes?

At Decision Point 1 the Combined Authority's Chief Executive (or by an officer under sub-delegated authority from the Chief Executive) approves 'approved development status' and where required can approve development funding for SOC production.

At Decision Point 2 (SOC) the Combined Authority approve the indicative funding, approval pathway and route, tolerance levels and development funding for future stages.

At Decision Point 3 and 4 the decision-maker (as set out in the approval pathway and route approved at Decision Point 2) approves indicative funding, approval pathway and route, tolerance levels and development funding for future stages.

The FBC approval will be granted with a condition that the scheme remains within set tolerances. Where this condition has been met approval to proceed into Delivery (activity 5) will be granted by the Chief Executive (or by an officer under sub-delegated authority from the Chief Executive)). If the condition is not met, the project will be required to re-submit the FBC.

At Decision Point 5 and 6 the decision-maker (as set out in the approval pathway and route approved at Decision Point 2) approves the Delivery Closure (DP5) and Financial Closure (DP6). The decision-maker for Change requests is dependent upon the tolerances set out at Decision Point 2.

7.8 Appraisal proportionality

The Combined Authority will use national guidance for scheme appraisal; HM Treasury's Green Book, including supplementary and departmental guidance, such as the Department for Transport's (DfT) TAG and DLUHC's Appraisal Guidance where appropriate.

The Combined Authority may also use local methodologies for this purpose with decision-makers determining the most appropriate for each scheme appraisal.

The Combined Authority's approach for Value for Money Assessment is dynamic; as advances in techniques becomes clear this will be incorporated in its methodology and provided as supplementary guidance for promoters to that of the HM Treasury Green Book.

It is important to note the Combined Authority's climate change aspirations. As of 2021 the Authority's methodology for carbon assessment forms part of the appraisal process, a proportionate approach will be utilised, and guidance will be given on a scheme by scheme basis on the level of requirement. The Carbon Assessment Guidance can be found [here](#).

The assurance process adopts a proportionate approach based on an assessment of risk, cost, novelty and deliverability. For example, a low cost, low risk scheme may proceed from Activity 2 to Activity 4 with a simplified business case template requirement for evidencing value for money.

The Authority uses a variety of templates with 'How to Guidance' provided to the promoter in order for the authority to gather the evidence required to assure value for money and realistic business case proposals. Officers will work with promoters

to give additional guidance in order for a proportionate approach to be achieved.

7.9 Methodology to assess Value for Money (VfM)

The range of toolkits (HMT Green Book, DfT TAG, DLUHC, Appraisal Guidance etc) are used to demonstrate the economic, social and environmental benefits and cost over an appropriate appraisal period in order to assess the VfM of a scheme. In line with recognised VfM guidance, the assessment will consider:

- **Economy:** Minimising the cost of resources used.
- **Efficiency:** The relationship between the output from goods or services and the resources to produce them.
- **Effectiveness:** The relationship between the intended and actual results of public spending (outcomes and meeting objectives).
- As set out in the LEP National Local Growth Assurance Framework guidance, the methodology used to assess VfM will be in line with the established guidance prescribed by the relevant Government department:

Compliance with Department for Transport's TAG guidance

All transport schemes will be subjected to the minimum requirements on modelling and appraisal in developing a Value for Money (VfM) statement, as set out in the National Assurance Framework Guidance (LEP and Single Pot). This includes using the definitive version of the National Trip End Model (NTEM) (DfT's planning dataset) in forecasting the Central Case scenario. This essentially means that although the local development dataset, as supplied by the local planning authorities, will be used the total future demand will be constrained to NTEM at a suitable geographic level. However, the Combined Authority will also advise promoters to develop a range of sensitivity scenarios based on alternative planning assumptions to present to decision-makers on how the scheme's VfM performs under different future conditions.

The modelling and appraisal work will be independently scrutinised to ensure it has been developed in accordance with TAG, is robust, and is fit for purpose. A review panel made up of the senior officers of the Combined Authority, referred to as the Programme Appraisal Team (PAT), will be used, so that appropriate and independent recommendations can be provided to decision-makers. Responsibility for quality assurance of the assessment and scrutiny will rest with the Combined Authority's Head of Portfolio Management and Appraisal (PMA).

In-line with TAG, the promoter will not carry out any modelling and appraisal work for any activity in Stage 2 prior to Appraisal Specification Report agreement with the Combined Authority's assigned officer. All evidence supplied as part of economic case in all activities in Stage 2 will be appraised against the methodology set out in the agreed ASR. An Appraisal Summary Table (AST) and VfM Statement will be produced by following TAG and DfT's VfM guidance.

The Economic Appraiser will provide an assessment on the VfM Statement for decision-makers, summarising as part of the appraisal. The conclusions from VfM assessment will take into consideration whether benefits outweigh the costs whilst identifying key risks and sensitivities that may affect the VfM conclusion. The experts will also set out what level of Analytical Assurance PAT and decision makers may attach to the VfM position based on quality of work, uncertainty in appraisal and risks.

Preference will be given to schemes which offers at least 'High Value for Money', accounting for significant non-monetised impacts and key uncertainties. The justification for a recommendation for a project to proceed with a Value for Money less than 'High' will be set out in the reports seeking approval from the relevant decision-makers.

In line with the recently revised Green Book, in assessing value for money, a stronger emphasis may be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of the project. This might for example include, but not limited to, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use and / or supporting / accelerating housing development. The specific approach will be determined on a programme by programme basis as funding and investment streams come forward.

To establish Value for Money the Combined Authority follows the new Green Book advice and reviews the following:

- Objectives: A number of SMART objectives and Critical Success Factors are used at Strategic Outline Case stage to ensure the short-list options, that will be assessed in fuller detail at Outline Business Case (OBC) stage, are aligned with strategic objectives of the organisation and as a result is likely offer VfM to the society.
- Benefits: Net present value to society of all social, economic and environmental benefits. The benefits may be monetised, quantitatively or qualitatively. This is carried out in greater detail at OBC stage.
- Costs: Net present public resource costs following whole life costing method. This includes capital costs, operating and maintenance costs and as well as opportunity costs (if appropriate). This is carried out in greater detail at OBC stage.
- Risk: Risk costs associated with managing and mitigating identifiable and significant risks. This is carried out in all stages with increasingly detailed analysis as the scheme progresses through different business case stages. Residual 'hard to quantify' risk and uncertainty, where it is likely to be significant, are also considered as part of the value for money judgment. For

example the impact of public transport fare revenue due to increased practise of work from home and online shopping.

- Wider Impacts: Additional wider impacts which are not readily or credibly quantifiable or monetisable, but which are considered decisively important enough to be taken into account are considered. The Combined Authority requires an economic narrative or other ways of justification for such impacts. This is carried out in greater detail at OBC stage.
- Equality and Diversity: The distribution of the likely impact in different parts of the society and across protected characteristics are considered in the VfM judgement.

Estimating economic and wider benefits

All programmes and schemes will be expected to have a positive (direct or indirect) impact on growth through job creation, skills improvement, increased productivity, and improved connectivity, to ensure that the good growth aspirations articulated in the SEF are realised. This also includes inclusive growth and clean growth aspirations.

A range of tools and models will be used to help estimate the direct, indirect and wider economic impact of scheme proposals in order to facilitate the prioritisation and decision-making process. It would be expected that the promoter engages with the Combined Authority on the approach and the preferred model(s) to be used to appraise the economic benefits, reflecting the scheme context and scope. For transport schemes this should be set out in the ASR.

The Combined Authority have developed a robust methodology (quantitative and qualitative) for assessing all new scheme's predicted carbon emissions / wider clean growth impacts, to strengthen how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority's Assurance Framework. The Carbon Assessment Guidance can be found [here](#).

7.10 Due diligence

Due diligence refers to the process of undertaking independent verification of key information provided by scheme promoters in support of funding proposals. It is intended to supplement the appraisal process and support the effective management of risk. It will be undertaken by the Combined Authority's Programme Manager and may take place at any stage in the assurance process prior to entering into a grant funding agreement (GFA).

The scope of due diligence will depend on the nature of the funding proposition and the promoter. Where the promoter is a private sector body it is likely to take the form of an independent assessment of ownership structure and financial standing and any other appropriate risk considerations determined at that time.

7.11 Risk Management

Risk is managed in line with HM Treasury 'Orange Book' Guidance on the Principles and Concepts of Risk.

The LEP has agreed that the Combined Authority, through the Section 73 Chief Finance Officer, manages risk on the LEP's behalf.

The Combined Authority recognises that effective risk management is an integral part of good corporate governance and as such should be a part of everyday management processes. The Combined Authority is committed to ensuring the robust management of risk, and as such a corporate risk management strategy is in place to set out a consistent approach to all risk management activities undertaken throughout the Organisation. This includes the Combined Authority's risk appetite statement, which is based on risk category. The Risk Management Strategy can be found [here](#) and the description of the risk faced by the LEP is part of the reports reviewed by the LEP Board at each meeting.

Full scheme-level risk analysis and mitigation plans are required for each programme and scheme when developing their business case. These are required to comply with the Combined Authority Risk Management Strategy and are assessed as part of the appraisal process set out in this Assurance Framework.

Robust processes for the identification, analysis and management of risks is contained within the Combined Authority's Risk Management Strategy and supporting documents. These provide details on the regularity with which to review risks and guidance for effective risk identification, assessment and escalation.

7.12 Funding Agreements

At the point where funding is released, the Combined Authority will enter into a funding agreement with the promoter. Any funding conditions will be specified in the funding agreement and can include but not limited to:

- A funding cap.
- The promoter's Chief Internal Auditor to provide assurance and to certify all expenditure on an annual basis.
- Claw-back provision in place to ensure funding is only to be spent on the specified scheme and that any cost savings achieved on the completed scheme are returned.
- Where projects could trigger a return on investment, they may be subject to overage. A consistent overage mechanism will be applicable where projects receive support through either grant or loan support or on disposal of property or assets.
- The Combined Authority, as the accountable body, will determine when to release funding.
- The Combined Authority may arrange for local audit of schemes to detect any misuse of funds.
- All organisations that receive funding through the Combined Authority and / or LEP are contractually required to acknowledge this, and that of Government in all communications and marketing activity. This includes

use of logos on relevant communications materials, inclusion of specified wording in press releases and development of stories and case studies that showcase the impact of schemes.

The Combined Authority and the LEP will look to recover funding where there has been non-compliance, misrepresentation or under-performance. The Accountable Body arrangements in Appendix 2 set out how concerns are escalated, including taking a legal opinion on the likelihood of recovery.

7.13 Management of contracts

West Yorkshire Combined Authority has implemented a performance management process which is aimed at ensuring contract performance is achieved and that all contract deliverables and obligations are met. The process will ensure that the following key contract management elements are implemented:

- Contract managers who understand all contract requirements, deliverables and provider obligations.
- Contract managers have a detailed understanding of the Combined Authority's responsibilities within external funding agreements linked to supplier agreements.
- Regular contract performance meetings are held with providers to review contract delivery in order to maintain ongoing quality and performance of the contract.
- Performance reporting updates are submitted on a regular basis by providers, highlighting performance against key performance indicators and service levels (as appropriate).
- Implementation of regular quality and compliance audits which provide the required evidence in support of contract compliance for LEP funded programmes and agreements.
- Ongoing contract management to include programme risk and issues management.
- Ensure ongoing delivery of value money through effective change management control in accordance with the contract terms and conditions.
- Problem resolution and implementation of improvement plans where necessary to support increased performance.

The Finance, Resources and Corporate Committee and LEP Board receive regular high-level reports on the progress of funded programmes and schemes together with any significant risks, issues and opportunities. More detailed reporting including specific supplier performance against these programmes and schemes are reported to the relevant panel / committee / project board and also to the Combined Authority's Senior Management Team.

Any contract negotiations that result in material changes will be assessed and dealt with through the standard variation process as determined within the Combined Authority Contract Standing Orders.

The LEP Board will be consulted on all contract changes that are considered to be critical in nature towards the delivery of LEP funded programmes and schemes.

8 Monitoring and Evaluation

8.1 Monitoring

All schemes are monitored throughout their progression through the assurance process. The Combined Authority use a web-based Portfolio Information Management System (PIMS), to ensure a consistent approach to monitoring and management of all schemes. A key benefit of PIMS is that information is available to view by all parties to the project. This helps to ensure the accuracy of the data held.

The system provides the following benefits:

- **Transparency**
 - Allows informed and improved decision making.
 - Provides visibility of scheme progress.
 - Provides a full audit trail of scheme data.
 - Linkages and dependencies between various schemes in the portfolio can be viewed and managed more easily.
- **Consistency**
 - Provides a robust and automated method of scheme assurance.
 - Standardised templates and reports offer robust scheme controls.
 - Centralised repository for cost and risk management activities will provide a uniform approach.
- **Efficiency**
 - Manual data input and manipulation is retained by the PMA and verified by project sponsors.
 - Standardised reports, documents and dashboards enable project teams and stakeholders to concentrate on delivery.
 - Resource management allows for resource planning ahead of demand.
 - The organisation's ability to plan using future scheme deliverables is increased.
 - Lessons learned can be more easily understood and shared between stakeholders.
- **Focus on delivery**
 - Aggregation of scheme data can identify trends in advance.
 - Facilitates alignment of schemes to corporate strategy.
 - Recommendations and actions to be carried out in a more structured and timely way.

Programmes and schemes funded by the Combined Authority and the LEP are required to have [an outputs and benefits realisation Monitoring Plan \(formerly](#)

~~Benefits Realisation Plan) plan~~ as part of business case development. These should be ~~produced-drafted~~ as part of activity 3-2 (OBCSOC) ~~alongside the Logic Model, and,~~ and refined ~~as required through activity 3 (OBC)~~ and ~~be in place~~finalised at the end of activity 4 (FBC). These should be linked to ~~the Monitoring and~~ Evaluation Plan to ensure a joined-up approach to ~~appraisal,~~ monitoring, ~~appraisal~~ and evaluation.

Key metrics of information on performance are reported at regular intervals. ~~The Monitoring Plan template is intended to capture Outputs, Outcomes, and Impacts— information needed for funders’ monitoring returns and effective evaluation—.~~ ~~However, schemes are also required to monitor including~~ expenditure, progress, ~~outputs and benefits,~~ risks and issues, as well as match funding, ~~and this should be recorded separately.~~

~~A rolling schedule of growth deal funded schemes is published on the Combined Authority and LEP websites.~~

8.2 Evaluation

Programmes and schemes funded by the Combined Authority and the LEP are required to have ~~a~~ monitoring and evaluation plans as part of business case development. ~~These should be produced as part of~~ The aim is to embed evaluation at scheme design stage in order to ensure clarity from the outset about how we expect interventions to work to achieve their ~~objective~~objectives, and how we intended to measure ~~changes~~outcomes and impacts that stem from delivered schemes.

To this end, a draft Logic Model is required at activity 1 (SA). These should be refined as the Evaluation Plan (Part 1 – Approach), and the Monitoring Plan are developed at activity 2 (SOC) and refined and be in place at). At the end of activity 4 (FBC), the Evaluation plan should be further refined (including Part 2), and the Monitoring Plan finalised and in place- (this should be submitted alongside the Evaluation Plan as an appendix).

The ~~O~~outputs, ~~Outputs, Outcomes and Impacts~~ from the ~~monitoring~~Monitoring and ~~evaluation~~ Evaluation plans, ~~together with the outputs from the outputs and benefits realisation plan~~ will be used to assess the effectiveness ~~and impact of investing~~the public fundsinvestment, and the extent to which schemes are contributing to the overall objectives of the Combined Authority and the LEP.

An Evaluation Strategy has ~~been~~now been adopted by the Combined Authority and can be accessed through [this link](#).

The [introduction of the](#) Evaluation Strategy shapes the design and development of project level evaluation activity through its focus on “Logic Models” as the basis of “activity 7” of the Assurance Framework reporting. Logic models set out the relations between what we deliver and the outcomes and impacts we hope to achieve ~~This will ensure that reporting will shape the information we capture at~~

~~project closure and introduce more consistency to learning insights that we synthesise and communicate. The aim is to ensure clarity on how we expect interventions to work and that we are collecting the right data to measure this effectively.~~ The Evaluation Strategy sets out how logic models should be developed.

Our approach to the development of the ~~evaluation strategy~~ Evaluation Strategy recognises that it is locally owned ~~and managed, drawing and draws~~ on local systems. ~~A key principle is that evaluation; it~~ will be proportionate and selective i.e. not everything will be evaluated. ~~The Evaluation Strategy in). In~~ section 1.3 – Designing Effective Evaluation, the Evaluation Strategy provides guidance on Evaluation, the Evaluation Strategy working with LEPs and Government Government ~~is also integral~~ takes place to identify opportunities for thematic evaluations that could be conducted across LEPkey areas or centrally commissioned.

~~Our~~ Introducing these changes to our approach to monitoring and evaluation and focusing the evaluation around WYIS success measures will align the LCR Assurance Framework with the “National Local Growth Assurance Framework” (MHCLG, September 2021).

These key themes focus on:

- **Strengthening understanding of the expected impacts, outcomes and additionality of all forms of schemes at an early stage in their design to improve the ex-post evaluation of interventions.** All project sponsors will be required to adopt a consistent approach to the use of “Logic Models”. Logic models represent an essential element of project and programme development and whilst the requirements for the use of logic models will be proportionate to the scale of the intervention, it is viewed that all schemes will benefit from this approach as through review their will be learning through delivery of what the project did relative what it was designed to achieve.
- **Communicating and synthesising the learning from project evaluation** – the strategy places a greater focus on synthesising consistent messages from project learning across all project types – with these insights flowing directly from the relationships set out in the project logic model. Greater emphasis is placed on the structured communication of the outputs from project closure reports through learning and dissemination events and the project closure reports will be designed to shape this messaging.
- **Understanding the wider benefits flowing from our funding programmes** – the strategy more clearly defines the relationship between project monitoring, benefits realisation and the net additionality achieved across the wider City Region geography. The updated strategy in this theme consolidates and aligns with the ‘Independent Evaluation of Local Growth Interventions’ currently being conducted by DLUHC.

Stage 3: Delivery and Evaluation

Activity 7 (Evaluation) will be managed by the Combined Authority’s Research & Intelligence team. This is a reporting point as opposed to the previous decision

points in the process, and will be undertaken when the Programme (or project in some circumstances), is completed . The aim is to evaluate for an evaluation of the outcomes and impacts compared to the overall programme objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future programmes and schemes. Interim evaluations may also be undertaken as required in line with the Monitoring and Evaluation Plan.

8.3 Five Year gateway reviews

As part of the Leeds City Region Growth Deal agreement, the West Yorkshire plus Transport Fund is subject to five-yearly gateway reviews to assess impact. The first review in 2019 has been passed successfully and funding confirmed until 2024/25. The next review will be undertaken in 2024.

The devolution deal and the Single Investment Fund (SIF) also requires an independent panel to assess investments' impact on economic growth at five-yearly Gateway Reviews. This additional evaluation provides a further incentive to encourage appropriate project appraisal, assurance and value for money processes.

9 Appendices

Appendix 1 – Mayoral Functions

The following functions are the responsibility of the Mayor:

- a) Transport
 - (i) Power to draw up a local transport plan and strategies (although the Combined Authority may amend these).
 - (ii) Power to request local regulations requiring large fuel retailers to provide Electric Vehicle charging points.
 - (iii) Bus franchising powers.
 - (iv) Ability to pay grants to operators.
- b) Housing and regeneration
 - (v) Land acquisition powers to support housing, regeneration infrastructure and community development and wellbeing subject to consent from specified Combined Authority members.
 - (vi) Power to designate a Mayoral Development Area and then set up a Mayoral Development Corporation subject to consent from specified Combined Authority members.
- c) Finance
 - (vii) Setting a precept on council tax to fund Mayoral Functions.
 - (viii) Power to charge business rate supplement (subject to ballot).

Appendix 2 – Accountable Body Arrangements

Agreement between the Leeds City Region Enterprise Partnership and the West Yorkshire Combined Authority

1. Introduction

The LEP is a strategic body responsible for driving inclusive growth, increase prosperity and improve productivity (“LEP activity”). The LEP works collaboratively and in partnership with the West Yorkshire Combined Authority, as its accountable body (“the Accountable Body”).

2. Accountable Body roles and responsibilities

Underpinning good governance is an expectation of mutual support between the LEP and the Accountable Body. The Accountable Body is responsible for:

- Carrying out **finance functions** on behalf of the LEP.
- **Oversight** of the LEP’s financial and governance, transparency and accountability arrangements.
- Providing **additional support** as agreed by the LEP.

The LEP has agreed that the Accountable Body’s specific roles and responsibilities are:

a) Finance functions

On behalf of the LEP, the Combined Authority holds, allocates and releases all funding for LEP activity (“LEP funding).

This includes approving and entering into agreements relating to LEP funding. The Accountable Body does not use any LEP funding for their own purposes, nor without a clear mandate from the LEP.

The Section 73 Chief Finance Officer shall ensure that appropriate financial statements are provided to the LEP in a timely manner; a separate financial statement for LEP funding is published each financial year.

The Accountable Body is responsible for treasury management and borrowing functions relating to LEP activity and funding.

LEP funding is included in the Accountable Body’s accounts, and the LEP’s web-site links to the Accountable Body’s accounts.

b) Oversight functions

The Accountable Body has oversight of the LEP’s financial and wider governance, transparency and accountability arrangements, including compliance with the Assurance Framework. The Accountable Body through its Section 73 Chief Finance

Officer ensures that LEP funding is administered properly, that is, that LEP funding is spent or released:

- In accordance with formal approvals only, and not for unapproved purposes¹⁶.
- With propriety and regularity and to deliver value for money.
- Subject to the statutory checks and balances which require the Accountable Body to act prudently in spending.
- In accordance with the Assurance Framework and any other relevant procedure.
- In compliance with any grant requirements and conditions.

The Accountable Body ensures that decisions on LEP funding are:

- Reached in line with clear and transparent processes.
- Made on merit.
- Taken in accordance with the Assurance Framework.
- Compliant with all legal requirements including relating to State Aid, public procurement, transparency, data protection and the public sector equality duty.

The Accountable Body also promotes the highest standard of conduct by the LEP, LEP Board members and officers, by reference to the seven principles of public life.

Scrutiny

The Combined Authority's statutory Overview and Scrutiny Committees have a key role in securing independent and external scrutiny of LEP activities. The Committees' terms of reference reflect that the Committee may make reports or recommendations on any matter considered by the LEP or relating to LEP governance. The Committees may also review or scrutinise any decision made, or other action taken, in connection with any function of the Combined Authority, including in relation to its role as Accountable Body.

The LEP recognises the role of the Combined Authority's statutory Scrutiny Officer in facilitating the Overview and Scrutiny Committees to carry out appropriate scrutiny of LEP Board decision-making and LEP achievements.

The LEP agrees to respond positively to any request to share information with the Committees, so that the Committees have the necessary information to provide robust scrutiny and advice. Any member of the LEP Board, including any private sector representative, may be asked to attend or otherwise contribute to a meeting of any of the Committees.

¹⁶ Including the services of lobbyists

The contribution of the LEP to any meeting of the Overview and Scrutiny Committees will be recorded with the outcome in the minutes (published on the Combined Authority's website). The LEP will ensure that there is a link from the LEP website to the Overview and Scrutiny Committees' published reports and minutes.

Audit

To ensure they have proper processes in place to manage risk, maintain an effective control environment and report on financial and non-financial performance, the LEP utilises the Accountable Body's Governance and Audit Committee, and its internal and external auditors to provide assurances in relation to LEP activities, as well as the Section 73 Chief Finance Officer.

The LEP and the Accountable Body (through its Governance and Audit Committee) will agree a risk based internal audit plan for each financial year of LEP and Combined Authority activities, that will provide assurance to the Section 73 Chief Finance Officer and the LEP Board at appropriate points through the financial year.

c) Support functions

The Accountable Body acts as the independent secretariat to the LEP¹⁷, providing the following technical and other support:

- Compiling, maintaining and publishing agenda, reports and minutes of meetings in accordance with agreed procedures.
- Retaining all documentation relating to the Local Growth Fund and other funding sources.
- Dealing with any request for information, complaint or concern raised in accordance with the appropriate procedure.
- Appraisal functions as set out in the Assurance Framework.
- Legal advice.
- Recovering funding where there has been non-compliance, misrepresentation or under-performance¹⁸.
- Risk management.

¹⁷ The Combined Authority is not a constituent member of the LEP, although the Mayor is on the LEP Board. Local Authority representatives are appointed in their capacity as district councillors, not members of the Combined Authority.

¹⁸ The Accountable Body will report to the LEP Board providing information on schemes which have received funding, including

- a description of schemes where concerns have been identified,
- relevant details including the amount of funding awarded and the sum at risk due to concerns, and
- where recovery of funds is considered, a legal opinion which sets out the legal basis for recover and likelihood of success

3. Section 73 Chief Finance Officer - Resources

The Accountable Body will ensure that the Section 73 Chief Finance Officer is given appropriate resources to carry out their functions in respect of the LEP, including audit. The LEP and the Accountable Body shall keep resource needs under review and consider if they are appropriately met.

4. Non-compliance by the LEP

Any decision of the LEP made in contravention of processes set out in the Assurance Framework will be invalid on the basis of non-compliance, unless the LEP has given prior approval for variation in respect of the LEP's decision-making process.

In the event that the Accountable Body is not able to endorse any decision of the LEP, the Section 73 Chief Finance Officer would refer the matter back to the LEP for re-consideration.

The LEP and the Accountable Body are committed to proactively raising with the Cities and Local Growth Unit any significant instance of non-compliance, non-delivery or mismanagement by the LEP which cannot be resolved locally. Should any such instance arise, the Section 73 Chief Finance Officer will also report it to the LEP Board and to the Combined Authority's Governance and Audit Committee.

Appendix 3 – Section 73 Chief Finance Officer – responsibility arrangements

1. Introduction

The Combined Authority must by law¹⁹ make arrangements for the proper administration of its financial affairs and secure that one of its officers has responsibility for the administration of those affairs. This role is carried out by the Combined Authority's Director [of Corporate Finance and Commercial Services](#) and extends to include the financial affairs of the LEP.

The Chair of the LEP and the LEP's Chief Executive Officer have agreed the following responsibility arrangements with the Section 73 Chief Finance Officer of the West Yorkshire Combined Authority (the Combined Authority), recognising the role of the Section 73 Chief Finance Officer in relation to instilling good and proportionate LEP governance, including the oversight of the proper administration of the LEP's financial affairs.

2. Financial administration

The Section 73 Chief Finance Officer shall be supported by the LEP and the Combined Authority (in its capacity as accountable body for the LEP) to carry out such checks as are necessary to independently ensure the proper administration of financial affairs in the LEP.

The LEP shall act promptly working with the Combined Authority to address any concerns or improper financial administration identified. The Section 73 Chief Finance Officer will report all concerns to the LEP's Chief Executive Officer in the first instance, making recommendations about any improvements required. The LEP is responsible for ensuring that all concerns are addressed.

The Chief Finance Officer will report any significant concerns directly to the LEP Board, setting out any improvements required. The LEP Board and the Section 73 Chief Finance Officer shall agree an action plan setting out how such concerns are to be addressed. This may include identifying training needs to ensure compliance. There will be a standing item on the LEP Board agenda reporting on progress on implementing the action plan, until the Section 73 Chief Finance Officer is satisfied that the issue has been resolved.

The Section 73 Chief Finance Officer will notify the Cities and Local Government Unit of any significant concern where:

- The concern is about systemic financial problems, repeated non-compliance or fraud, or
- An action plan cannot be agreed, or
- In the opinion of the Chief Finance Officer, the LEP Board does not achieve sufficient progress against the action plan.

¹⁹ Section 73 of the Local Government Act 1985

3. Advice of the Section 73 Chief Finance Officer

The Section 73 Chief Finance Officer shall work with the Chair of the LEP and the LEP's Chief Executive Officer to ensure that procedures are in place to consider the financial implications of decisions before and during the decision-making process.

The LEP shall ensure that the Section 73 Chief Finance Officer is given sufficient access to information in order to carry out their role. The Section 73 Chief Finance Officer or their nominee shall be entitled to:

- Attend all LEP Board agenda setting meetings.
- Have access to all LEP Board documentation (including LEP Board reports before publication).
- Comment on any proposed decisions, by:
 - Recording an opinion on financial implications and an assessment of risk (such as delivery risks and cost overrun risks) in any report to the LEP Board or relevant Panel, and / or
 - Attending and speaking at any meeting of the LEP Board²⁰ or relevant Panel.

Should the LEP Board decide on a course of action which goes against the advice of the Section 73 Chief Finance Officer, the LEP Board must indicate the rationale for their decision, which will be recorded in the minutes of the meeting. However, in the event that the Accountable Body is not able to endorse any decision of the LEP, the Section 73 Chief Finance Officer would refer the matter back to the LEP for re-consideration.

If the role of the Section 73 Chief Finance Officer results in a potential conflict of interest, impartial advice should be sought by the LEP's Chief Executive Officer to ensure transparency from a source which is external to the Combined Authority.

4. Risk management

The LEP has agreed that the Combined Authority through the Section 73 Chief Finance Officer, manages risks on the LEP's behalf. The risk appetite of the LEP is understood by both the LEP Board and the Section 73 Chief Finance Officer. The Section 73 Chief Finance Officer ensures that the Combined Authority's risk management strategy addresses:

- Risks arising in relation to LEP activity.
- The process for the LEP Board to oversee risk and the escalation of risk analysis and risk management requirements within the LEP.

The LEP risk register can be found [here](#) as part of LEP Board papers at each meeting.

At the beginning of the financial year, the LEP and the Section 73 Chief Finance Officer will agree the budget risks facing the LEP. These will be kept under review

²⁰ See further LEP Procedure Rules. The Section 73 Chief Finance Officer is not a member of the LEP Board and does not vote

by the Section 73 Chief Finance Officer throughout the year, who will report any significant issues to the LEP Board.

5. Audit

The LEP and Combined Authority have agreed audit arrangements as set out in the Assurance Framework. The Section 73 Chief Finance Officer and the LEP's Chief Executive Officer shall report to the LEP Board on any completed audit by internal or external auditors where any recommendations relate to the LEP and provide a copy to the Cities and Local Growth Unit as appropriate.

Appendix 4 – Governance arrangements

West Yorkshire Combined Authority

Membership

The Combined Authority as a Mayoral Combined Authority comprises the following members:

- The Mayor,
- 5 elected members from each council in West Yorkshire (one appointed by each council),
- 3 additional elected members for political balance jointly appointed by the West Yorkshire councils,
- 1 elected member appointed by the City of York Council, and,
- 1 person nominated by the LEP (the LEP Member).

Of these, the elected member appointed by the City of York Council and the LEP Member are required by statute to be non-voting, except in so far as the Combined Authority gives them voting rights.

The Combined Authority's website [here](#) provide details of all current members of the Combined Authority.

Voting members on committees and panels include members from the private sector representatives and local authorities.

The Mayor appoints one of the members of the Combined Authority as a Deputy Mayor, who will act in place of the Mayor if for any reason the Mayor is unable to act or the office of Mayor is vacant.

Strategies

The Mayor is responsible for approving the local transport plan (subject to the Combined Authority's power to make amendments – see below) and may make other strategies in relation to the exercise of any Mayoral Function, in consultation with the Combined Authority.

The Combined Authority will approve any strategy in relation to Non-Mayoral Functions. Where a Non-Mayoral Function has been conferred on the Combined Authority further to the devolution deal, the approval of that strategy requires the support of the Mayor. The Combined Authority may also amend the Mayor's local transport plan if a majority of the members agree to do so.

The West Yorkshire Investment Strategy (WYIS) is approved by the Combined Authority and is subject to confirmation by the Mayor when in office.

Budgets

There are separate budgets for Mayoral Functions (the Mayor's budget) and Non-Mayoral Functions (the Combined Authority's budget).

The Mayor may raise money by precept and has the power, with the agreement of the Combined Authority and in consultation with the business community, to raise a Business Rate Supplement to fund infrastructure investment.

The Mayor's budget is subject to approval by the Combined Authority in accordance with statutory processes. These provide that the Combined Authority may:

- Approve the Mayor's draft budget, (default simple majority voting arrangement applies) or
- Veto the draft budget and approve a budget incorporating the Combined Authority's recommendations by 5 / 8 majority of the members of the Combined Authority excluding the Mayor.

Investment decisions

Decisions relating to progressing a scheme under the assurance process fall to the Combined Authority, (or a decision-making committee of the Combined Authority or officer as set out in the assurance pathway and approval route for the scheme). Any such decision by the Combined Authority which relates to exercising any Non-Mayoral Function which was conferred further to the devolution deal requires the support of the Mayor.

The Mayor also makes any decisions which relate to Mayoral Functions (or may delegate any such decisions as set out in this Assurance Framework).

Officers

Combined Authority officers serve both the Combined Authority and the LEP. They are appointed on merit in accordance with open recruitment arrangements and new officers undergo a structured induction process.

The Combined Authority complies with statutory requirements in relation to publishing officer salaries on the website [here](#).

The authority of officers to act on behalf of the Combined Authority is set out in the officer delegation scheme [here](#).

LEP Board

Membership

At least two-thirds²¹ of the members of the LEP Board²² must be private sector representatives²³.

The number of LEP Board members shall not exceed 20²⁴, excluding any additional member co-opted to the LEP Board. A maximum of 5 co-optees with specialist knowledge may be appointed to the LEP Board.

The Mayor is a member of the LEP Board.

The LEP's Constitution [here](#) sets out requirements in relation to LEP Board membership, including eligibility criteria, appointment processes, terms of office (including arrangements for resignation), and provisions relating to the LEP's Chair and Deputy Chair.

The LEP website [here](#), and the Combined Authority's website [here](#) provide details of all current members of the LEP Board.

The LEP Board has adopted an Equality and Diversity Policy including Diversity Statement explaining how the LEP seeks to ensure diverse representation at LEP Board and on advisory Panels which is reflective of their local business community (including geographies and protected characteristics). This can be viewed [here](#).

The LEP Board annually reviews its membership having regard to its Diversity Statement, taking into account the skills, knowledge and competencies it needs, the geography of the City Region, its key business sectors and different sizes of business operation.

The LEP Board appoints its private sector representatives, including the Chair, in accordance with open recruitment processes which are set out in the LEP recruitment procedure (which also covers engagement with the business community in relation to the appointment of the LEP Chair, succession planning and induction arrangements for private sector representatives) which can be found [here](#).

One LEP Board member is appointed to represent and engage with the SME business community, and another as Diversity Champion.

²¹ To comply with this requirement of the National Local Growth Assurance Framework and Strengthened Local Enterprise Partnerships report (2018), new members were appointed to sit on the LEP Board on 25 February 2020, with effect of 31 March 2020.

²² Any co-optee appointed to the LEP Board is to not be considered as a member of the LEP Board for the purpose of this requirement

²³ A private sector representative must be or have been employed by an organisation not included as central Government, local Government or a public corporate as defined for the UK National Accounts. Those from Higher Education or Further Education Institutions are not classified as public sector organisations.

²⁴ This requirement is met as a result of the decision made by the LEP Board with regards to the LEP Board membership on 25 February 2020, with effect of 31 March 2020.

The LEP has adopted a LEP Board Members' Remuneration and Expenses scheme which can be found [here](#).

Appendix 5 – Economic Services: approval arrangements

The Chief Executive has delegated authority to award an Economic Services grant to a company or other legal entity²⁵ (“Business”) under any programme or scheme approved under the Leeds City Region Assurance Framework.

In accordance with the Conflicts of Interest Protocol, where any potential conflict arises from the involvement with a Business of any person on the LEP or any relevant committee, an application must be determined by the Chief Executive, the Combined Authority or relevant committee.

A grant may only be awarded

- Where the application meets the eligibility and / or assessment criteria for the programme or scheme.

The **Advisory Groups** are set out in Table 2 below.

Table 2

Programme	Advisory Group	Membership	Thresholds
Business Growth Programme	Appraisal Advisory Group	Officers from the Combined Authority; officers from partner councils; Business Enterprise Fund	Considers any application for a grant over £50k and not exceeding £100k
Digital Investment Funds	Digital Investment Fund Appraisal Group	Officers from the Combined Authority	Considers any application for #Welcome and #Grow for a grant over £25k and not exceeding £50k

²⁵ Including a social enterprise, trust, partnership or sole trader.

Appendix 6 – Assurance process principles for ESIF Sustainable Urban Development (SUD) purposes

Purpose

The urban agenda and the role of cities in driving forward smart, sustainable and inclusive growth is central to the successful delivery of the 2014-20 ESI Funds Growth Programme in England.

The Leeds City Region Sustainable Urban Development (SUD) Strategy, which aims to address integrated urban challenges and opportunities in the region, was submitted to the Ministry of Housing, Communities and Local Government (MHCLG), now the Department for Levelling Up, Housing and Communities (DLUHC) back in September 2015 and was formally agreed.

The DLUHC – otherwise known as the Managing Authority - agreement of the SUD Strategy will ensure that funds worth up to 10% of the Leeds City Region European Structural and Investment Funds (ESIF), European Regional Development Fund (ERDF) allocation will be made available in order to implement the SUD strategy.

In order to put in place the delegated functions that are required by Article 7 of the EU Regulation 1301/2013, with regard to project selection, DLUHC have now established the West Yorkshire Combined Authority as an Intermediate Body (IB) in line with Articles 123 and 125 of EU Regulation 1303/2013.

The Combined Authority, as the Intermediate Body will, in order to make decisions with regard to its role in the project selection process, use the principles of the assurance process as outlined below. Any process will be undertaken in line with the selection criteria as defined by the ESIF national Growth Programme Board.

This appendix presents the Leeds City Region assurance process as the model and framework that the Combined Authority has adopted in assisting in the selection of schemes as part of the ESIF programme 2014-2020 for SUD.

Background

- In July 2012, the Leeds City Region agreed a 'City-Deal' with HM Government giving greater local control over spending and decision-making particularly with regard to economic development, regeneration and transport. This 'City-Deal' agreed to the creation of a West Yorkshire Combined Authority and a commitment to develop an assurance process. The assurance process, once approved by HM Treasury, would provide a consistent, robust appraisal process for schemes and programmes to inform investment decisions.
- In light of this, and the flexibility that is inherent within the assurance process, it represents a means to structure the local appraisal of ESIF SUD schemes rather than developing a separate process. This

approach complements the formal technical assessment carried out by DLUHC.

Introduction to selection of schemes using the Assurance Process principles

The process adopted here reflects the guidance issued by DLUHC and adheres to the process and role of the Intermediate Body.

The Finance, Resources and Corporate Committee provides advice to the Combined Authority in line with the nationally agreed criteria and in line with the agreed and signed Memorandum of Understanding between the Combined Authority and DLUHC.

The Finance, Resources and Corporate Committee provides advice to the Combined Authority to whether proposals set out at Outline and subsequently Full Application appropriately address:

Local strategic fit as defined in the Selection Criteria²⁶ for the ERDF 2014-2020 programme, which includes how:

- The proposed operation contributes to the needs / opportunities identified in the Call for Proposals to which it is responding.
- The proposed operation is aligned to the local growth needs set out in the local ESI Funds Strategy and contributes to the specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme.

In addition, the Combined Authority provides advice to DLUHC on the following value for money and deliverability selection criteria:

Value for money

- The operation must represent value for money. In assessing value for money, DLUHC take account of:
 - Efficiency: the rate / unit costs at which the operation converts inputs to the Fund outputs.
 - Economy: the extent to which the operation will ensure that inputs to the operation are at the minimum costs commensurate with the required quality.
 - Effectiveness: the extent to which the operation contributes to programme output targets, results and / or significant strategic impact at the local level.

Deliverability

- The operation is deliverable within the requirements of the fund specific Operational Programme taking account risks, constraints and dependencies

²⁶ Selection Criteria [here](#)

- Evidence has shown that this type of operation is effective or where the operation is new or innovative, the risks have been considered and appropriate mitigations put in place.

Using the assurance process principles

The assurance process is designed to ensure any schemes seeking public finance should be subjected to a rigorous appraisal. HM Treasury has developed the Green Book which provides the basis for how schemes should be appraised using the 'five cases model' to carry out a holistic assessment.

The five cases are:

- (i) Strategic: does the scheme fit with the aims of the City Region's Strategic Economic Plan? **(Used for selection of schemes for SUD as part of the ESIF Strategy)**
- (ii) Economic: is the scheme value for money? **(Used for selection of schemes for SUD as part of the ESIF Strategy)**
- (iii) Commercial: is there demand for the scheme and is it commercially viable?
- (iv) Financial: is the scheme affordable and sustainable?
- (v) Management: is the scheme deliverable with achievable objectives? **(Used for providing advice on the selection of schemes for SUD as part of the ESIF Strategy)**

The Green Book details approaches and tools that can be adopted in order to effectively appraise schemes. It is accepted that the detail and extent of appraisal should reflect the size and complexity of schemes, but within all appraisals there should be some consideration of each of the five cases.

The assurance process has been developed in line with these principles and was a key requirement that emerged from the LEP's City-Deal. The assurance process will be used by the LEP and the Combined Authority for all of its different funding regimes, providing a consistent and robust approach to appraise schemes. This means all schemes, irrespective of objectives or thematic area (transport, regeneration, housing, skills, innovation, enterprise etc.), will be assessed under this 'single' framework. This will better able the LEP and the Combined Authority to compare and prioritise schemes and programmes.

It is the assurance process which is used to form the basis for the 'local' appraisal and selection of SUD ESIF schemes outside the formal DLUHC assessment. For the purposes of selecting SUD ERDF schemes, the key principles of the assurance process are used – but only using cases 1, 2 and for advice case 3 as described above and in line with the nationally agreed criteria and the agreed and signed Memorandum of Understanding between the Combined Authority and DLUHC.

Strategic Fit – Proposed scope

The proposed assessment of strategic fit is currently structured around the four pillars of activity that are central to the Leeds City Region Strategic Economic Plan (SEP):

1. Growing businesses
2. Skilled People, Better Jobs
3. Clean Energy and Environmental Resilience
4. Infrastructure for growth

Promoting social inclusion and combating poverty, designed to reflect aspects of the social outcomes that are promoted within the ESIF programme, are integrated within the pillars.

The pillars have been broken down into activity that could contribute to strategic outputs within the respective pillar and schemes would be scored against these criteria.

Value for Money (VfM) – Economic impact – proposed scope

In assessing the value for money of each of the schemes, the process effectively mirrors that of the assurance process - ensuring that the costs and benefits of schemes are taken into account and wherever possible quantified. This is more straightforward for some schemes than others and there is an onus on reflecting local intelligence and priorities. New jobs and catalytic schemes are 'worth' more in some areas than others simply because there are fewer jobs or because it is more difficult to create and sustain jobs in certain locations. This is especially the case where disadvantage is long-term and entrenched.

The Research and Intelligence team own and manage the Regional Econometric Model, a complex tool that enables scenarios to be assessed in terms of their net economic impact. This provides a range of outputs with a focus on impacts in terms of employment and gross value added (a measure of economic impact). These outputs can be calculated over a range of different geographies.

Other approaches are used to quantify the outputs / outcomes that by their nature have a direct impact that is more social rather than economic.

In terms of the local assessment, additional measures of value for money are being used where necessary to provide more information on the potential impact of schemes. Such measures and ratios include:

- Total GVA of the project
- Ratio of GVA to Total Cost AND public sector support
- Total cost per job
- Total GVA per job
- Cost benefit ratio
- Grant per job
- Cost per business assist
- Cost per skill outcome
- Capital / build costs

The appraisal is informed and supported by national and local research in terms of the costs of outputs and outcomes. This includes elements such as guidance issued by OFFPAT, evaluations of RDA activity and more recent, evidence emerging from the What Works Centre for Local Economic Growth and bespoke evaluations such as that carried out on the Combined Authority's Business Growth Programme (BGP).

Undertaking the work

The responsibility of the Assurance Process is the responsibility of the Director of Delivery, to whom a Head of Portfolio Management and Appraisal (PMA) reports.

The Head of PMA commissions the Head of Research and Intelligence (under the Director of Strategy, Communications and Policing), to undertake the appraisal work on local strategic fit and economic - value for money (VfM). The appropriate policy lead will also support the approach, under the supervision of the Head of Research and Intelligence, to provide the advice that is considered and discussed by the relevant thematic committee. This in turn, leads to recommendations to the Combined Authority to make decisions on the selection of operations.

Reporting

The results from the appraisal are presented in a summary assessment report, provided by DLUHC, alongside DLUHC's own formal technical assessment. This provides an insight into the strengths and weaknesses, bringing together the metrics and other qualitative and quantitative information.

Appendix 7 – Adult Education Budget and Multiply Local Investment Plan

Devolution of the Adult Education Budget (AEB) is a shift from previous centrally coordinated arrangements and will allow for local decisions to be taken to deliver learning opportunities aligned with the needs of individuals and employers across West Yorkshire.

Taking on these devolved powers is clearly a significant opportunity for the region. Previously around 90% of the funding was delivered without Local Authorities and the Combined Authority having a formal influence over AEB planning, and with no consequence to funding allocations if delivery did not meet local needs or align to our collective strategies.

Our devolved AEB Strategy proposes close working between Local Authorities and the Combined Authority to oversee provider delivery plans and performance, increasing the scrutiny on delivery and focussing on impact for our communities.

The Combined Authority is the accountable body in terms of assurance for AEB funding.

Since the AEB was devolved to the Combined Authority, the Government launched the Multiply adult numeracy programme in Spring 2023. This is part of the UK Shared Prosperity Fund and funding is devolved to the Combined Authority as the Lead Authority designated by Government. The Multiply target group and delivery activity aligns to the Adult Education Budget. To avoid duplication and ensure the programme enhances AEB delivery, Multiply will align to the AEB Table of delegations for the programme duration.

The table below sets out the decision-making in relation to policy, funding and contract allocation for AEB functions and for Multiply.

Decision-making: Policy, funding, and contract allocations

	Decision	Decision-maker	Rationale
1	<p>To approve or vary the AEB Strategy as required, including:</p> <ul style="list-style-type: none"> Interim review 2021 (aligning to Mayoral priorities) Refresh 2024 <p>To approve or vary the Multiply strategy (via Local Investment Plan)</p>	Combined Authority	<p>The WY AEB Strategy and Multiply Local Investment Plan govern funding principles and will be revised in line with governance and assurance processes.</p> <p>Conflicts of interest are managed under the Members' Conflicts of Interest policy.</p>

2	<p>To agree the governance arrangements for AEB or Multiply functions</p>	Combined Authority	<p>The Combined Authority is responsible for agreeing how its functions, including AEB functions, are discharged.</p>
3	<p>To approve the Funding Rules and Performance Management Framework</p> <p>For Multiply, to approve funding agreements and performance parameters for each workstream approved in the Local Investment Plan (Funding rules for Multiply/UKSPF as defined by DfE and Investment Plan)</p>	Chief Executive	<p>The Rules and Framework are part of the suite of contractual documents, and are therefore operational in function.</p> <p>The documents set out clear parameters for contractual decisions, which can appropriately and effectively be carried out by officers in line with the strategic direction from the Combined Authority.</p> <p>The Chief Executive may refer this approval to the Employment and Skills Committee for recommendations, where wider sector expertise and consultation is desired.</p> <p>Members will need to ensure that conflicts of interest are declared, however a dispensation may be granted to allow a balanced and informed discussion</p> <p>For Multiply: the Chief Executive Officer will receive advice and recommendation from the UKSPF Local Partnership Group on workstream details.</p>
4	<p>To reallocate budget in response to underperformance / over performance outside performance management framework.</p> <p>For Multiply, to reallocate budget inside parameters</p>	Chief Executive	<p>Decision on funding usage, in line with strategic direction.</p> <p>The Chief Executive may refer this approval to the Employment and Skills Committee (for Multiply, the UKSPF Local Partnership Group) for recommendations, where wider</p>

	set within the Local Investment Plan		<p>sector expertise and consultation is desired.</p> <p>Members will need to ensure that conflicts of interest are declared, however a dispensation may be granted to allow a balanced and informed discussion.</p>
5	To make interim changes to the policy and / or AEB Strategy in response to emerging economic needs, crisis responsiveness or similar.	Employment and Skills Committee	<p>Decision on interim measures that affect operation, responding to economic needs in line with sector intelligence.</p> <p>Members will need to ensure that conflicts of interest are declared, however a dispensation may be granted to allow a balanced and informed discussion.</p> <p>The Employment and Skills Committee may refer this approval to the Combined Authority with a recommendation, if there is a significant deviation from the WY AEB Strategy.</p>
6	To determine Grant Agreement Allocations & Procurement values – annually agreed in March for AEB (once West Yorkshire allocation confirmed)	Chief Executive	<p>Grant allocation amounts will be determined in accordance the methodology outlined in the AEB Strategy and Multiply Investment Plan as approved by the Combined Authority.</p> <p>Approval of top line procurement values by the Chief Executive while ensuring clear methodology has been followed which aligns to the Strategy.</p> <p>For Multiply, the Chief Executive Officer may refer to LPG for recommendations and scrutiny, where wider sector expertise and consultation is desired.</p>

7	To agree contracts for Services awarded through procurement and for AEB in March annually based on performance management framework.	> £1m – Chief Executive < £1m –	In accordance with the AEB Strategy, Combined Authority Procurement Strategy, Funding Rules, Performance Management Framework, and Contracts Standing Orders
8	New procurement rounds: <ul style="list-style-type: none"> Planned responsiveness pot Refresh after 4 years Bringing on new providers in light of provider base failure	> £1m – Chief Executive < £1m – Director of Inclusive Economy, Skills & Culture Economic Services Advised by AEB Performance Group, UKSPF LPG (Multiply) and ES&C	In accordance with the AEB Strategy, as approved by the Combined Authority. E&SC or the UKSPF Local Partnership Group may make recommendations to the Combined Authority on any such decision. Conflicts of interest are managed under the Members' Conflicts of Interest policy.
9	To approve or vary the AEB Procurement Strategy	Sub delegated from the Chief Executive to the Director of Inclusive Economy, Skills & Culture Economic Services / Head of Employment and Skills	In accordance with the AEB Strategy and with the Combined Authority's Procurement Strategy
10	To approve overperformance and contract Growth requests	Sub delegated from the Chief Executive to the Director of Inclusive Economy, Skills & Culture Economic Services / Head of Employment and Skills	In accordance with the mechanism set out in Contracts, Funding Agreements, and/or Performance Management Framework. Technical expertise and performance data available at AEB Performance Group level. For Multiply, officers may refer to LPG for recommendations, where wider sector expertise and consultation is desired.
11	Underperformance and contract reduction / termination	Sub delegated from the Chief Executive to the Director of Inclusive Economy,	Clear mechanism will be outlined in Contracts, Funding Agreements, and/or

		<p><u>Skills & Culture</u> <u>Economic Services</u>-/ Head of Employment and Skills</p>	<p>Performance Management Framework.</p> <p>Technical expertise and performance data available through the AEB Performance Group.</p> <p>For Multiply, officers may refer to LPG for recommendations, where wider sector expertise and consultation is desired.</p>
12	To approve Funding clawback	<p>Sub delegated from the Chief Executive to the Director of <u>Inclusive Economy, Skills & Culture</u> <u>Economic Services</u>-/ Head of Employment and Skills</p>	<p>Clear mechanism will be outlined in Contracts, Funding Agreements, and/or, along with Audit and Assurance requirements-</p> <p>Technical expertise and performance data available at AEB Performance Group level.</p>
13	To agree Delivery plans agreed annually with providers variation approval based on performance and/or responsiveness	<p>Sub delegated from the Chief Executive to the Director of <u>Inclusive Economy, Skills & Culture</u> <u>Economic Services</u>-/ Head of Employment and Skills</p>	<p>Expertise regarding technical delivery and alignment to strategy available from the AEB Performance Group.</p> <p>Will deliver strategic aims as set by the Combined Authority.</p> <p>Employment and Skills Panel will be informed of any decisions, in line with Conflicts of Interest policy.</p> <p>For Multiply, officers may refer to LPG for recommendations, where wider sector expertise and consultation is desired.</p>
14	To add subcontractors to delivery plans within year upon request annually	<p>Sub delegated from the Chief Executive to the Director of <u>Inclusive Economy, Skills & Culture</u> <u>Economic Services</u>-/ Head of Employment and Skills</p>	<p>Expertise regarding due diligence and strategic appropriateness is available from the AEB Performance Group.</p> <p>In accordance with the Funding Rules which outline strict</p>

		Head of Employment and Skills	requirements regarding subcontracting practice. Responsiveness required in year to ensure delivery timescales are met
15	To approve subcontracting where not already approved under current ESFA regulations. ESFA guidance available here .	Sub delegated from the Chief Executive to the Director of Inclusive Economy, Skills & Culture Economic Services / Head of Employment and Skills	Expertise regarding due diligence and strategic appropriateness available from the AEB Performance Group. Funding rules outline requirements regarding subcontracting practice. Responsiveness required in year to ensure delivery timescales are met.
16	To make minor technical or process driven amendments to the Funding Rules (for Multiply: contracts or funding agreements) in line with strategic direction set by the Combined Authority.	Sub delegated from the Chief Executive to the Director of Inclusive Economy, Skills & Culture Economic Services / Head of Employment and Skills	Any amendments must remain in accordance with the AEB Strategy, as approved by the Combined Authority. Swift decisions needed to minimise any impact of responsiveness on delivery – decisions are predominantly technical, and process driven.

10 GLOSSARY

ASR	Appraisal Specification Report: A report produced by the scheme promoter, in conjunction with the West Yorkshire Combined Authority, setting out the agreed approach to appraisal of the scheme, as part of the assurance process.
AST	Appraisal Summary Table: A summary of the key consequences relating to the environmental, economic and social impacts of schemes. They are used to help determine which schemes should proceed and if they do, to decide which options to choose.
BCG	Business Communications Group: A group of people made up of key representatives from organisations in the City Region. They support business growth and act as an advisory group to the LEP Board.
BCR	Benefit Cost Ratio: An indicator used in cost-benefit analysis that attempts to summarise the overall value for money of a project or proposal.
BEIS	Business, Energy and Industrial Strategy: A ministerial department supported by 41 agencies and public bodies. It brings together responsibilities for business, industrial strategy, science, research and innovation, energy and clean growth, and climate change.
BGP	Business Growth Programme: The department for Business, Energy & Industrial Strategy set up grants for businesses that meet certain requirements. Businesses can apply to the Leeds City Region LEP to obtain these grants.
CBA	Cost Benefit Analysis: A systematic approach to estimating the strengths, weaknesses and alternatives for a decision to be made. It involves adding up the benefits of a course of action and then comparing these with the costs associated with it.
CEO	Chief Executive Officer: The person who is in overall charge of the running of an organisation or business. The Chief Executive Officer of the Combined Authority is also the Chief Executive Officer of the LEP.
CSF	Critical Success Factors: A management term for an element that is necessary for an organisation or project to achieve its goals.
DfT	Department for Transport: A ministerial department supported by 23 agencies and public bodies. They work with agencies and partners to support the transport network and plan and invest in transport infrastructure.
DLUCH	The Department for Levelling Up, Housing and Communities-: Formerly known as Ministry of Housing, Communities and Local Government (MHCLG). A ministerial department supported by 13

	agencies and public bodies. They create great places to live and work, and to give more power to local people to shape what happens in their area.
ERDF	European Regional Development Fund: Aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The ERDF focuses its investments on several key priority areas and is designed to reduce economic, environmental and social problems in urban areas.
ESIF	European Structural and Investment Funds: Includes money from the European Social Fund, European Regional Development Fund and European Agricultural Fund for Rural Development.
EU	European Union: An association of European nations formed in 1993 for the purpose of achieving political and economic integration. Incorporating the European Community, the European Union's member states are Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. In 2016 the United Kingdom voted by referendum to withdraw from membership in the European Union.
EZ	Enterprise Zone: An area in which state incentives such as tax concessions and infrastructure incentives are offered to encourage business investment. There are 24 enterprise zones in England.
FBC	Full Business Case: Provides the detail of the preferred solution for a project or programme. It confirms the benefit, cost and risk of delivering the preferred solution. FBC+ represents a full business case with finalised costs.
GPF	Growing Places Fund: Funding from the Ministry of Housing, Communities and Local Government that supports key infrastructure schemes designed to unlock wider economic growth, create jobs and build houses in England. This fund comprises of £730 million.
GVA	Gross Value Added: Measures the contribution made to the economy and is a key indicator of the state of the whole economy. It measures the value of goods and services produced in an area.
Green Book	HM Treasury guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project.
HE	Homes England: Formerly known as Homes and Communities Agency. An executive non-departmental public body that is sponsored by the Ministry of Housing, Communities and Local Government. HE helps create

	successful communities by making more homes and business premises available to the residents and businesses who need them.
HMT	Her Majesty's Treasury: The Government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.
LCR	Leeds City Region: A functional region around Leeds, West Yorkshire.
LEP	Local Enterprise Partnership: Locally-owned voluntary partnerships between local authorities and Businesses. Set up in 2011, they play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs.
LGF	Local Growth Fund: Growth Deal funding provided to Local Enterprise Partnerships for schemes that benefit the local area and economy.
LIS	Local Industrial Strategy: Led by Mayoral Combined Authorities or Local Enterprise Partnerships, to promote the coordination of local economic policy and national funding streams and establish new ways of working between national and local Government, and the public and private sectors.
LVU	Land Value Uplift This is quantification of the net benefits of a scheme proposal. This measures the difference of value from the land's current use to when it is used for another purpose as an economic uplift and captures all private sector costs of development.
MCA	Mayoral Combined Authority: A combined authority with a mayor that is elected by the residents of the area. The mayor, in partnership with the combined authority, exercises the powers and functions devolved from Government, set out in the local area's devolution deal.
NPV	Net Present Value: The difference between the present value of the future cash flows from an investment and the amount of investment. NPV is used to analyse the profitability of a projected programme or project.
Nolan Principles	The seven principles of public life, which are the basis of the ethical standards expected of public office holders.
OBC	Outline Business Case: This sets out the preliminary information regarding a proposed project / programme. It contains information needed to help make a decision regarding the implementation of the project / programme such as envisaged outcomes, benefits and potential risks associated.
Orange Book	HM Treasury guidance for public sector bodies on risk management.

PAT	Programme Appraisal Team: A team formed to ensure compliance with the assurance framework. It is a formal group of West Yorkshire Combined Authority officers who oversee the assurance process.
PCR	Project Closure Report: The final document produced for the project and is used by senior management to assess the success of the project, identify best practice for future schemes, resolve all open issues and formally close the project.
PIMS	Portfolio Information Management System: A bespoke management system used to provide transparency, consistency, efficiency and focus on delivery.
PMA	Portfolio Management and Appraisal Team: A team formed to ensure a rigorous approach to the assurance process, including the appraisal of schemes and monitoring and reporting on our portfolio, so we get the best schemes for our money
QRA	Quantified Risk Assessment: A structured approach to identifying and understanding the risks associated with hazardous activities. The assessment takes inventory of potential hazards, their likelihood and consequences.
RAG	Red, Amber and Green rating: Also known as the traffic light system and used as a visual cue to project performance.
REM	Regional Econometric Model: Incorporates aspects of four major modelling approaches; Input - Output, General Equilibrium, Econometric, and Economic Geography. It estimates the changes in total regional income and employment.
SA	Strategic Assessment: This determines the strategic context for a programme / project and provides an early opportunity for key stakeholders to influence the direction, scope and scheme content.
SEP	Strategic Economic Plan: A long-term plan that shows how the LEP and Local Authorities will grow the economy and how its ambitions will be achieved. The SEP will be replaced by SEF during 2020.
SEF	Strategic Economic Framework: An agile, long-term strategic framework, incorporating both the new Local Industrial Strategy (LIS) as well as a full range of policies and strategies, reflecting the scale of our ambitions and priorities for the City Region.
SME	Small and Medium Enterprises: A company is defined as an SME if it has a staff headcount of either <50 (small) or <250 (medium sized). The company also needs to have a turnover or balance sheet total of ≤€10m (small) or ≤€50m (turnover) or ≤€43m (balance sheet) (medium).
SOC	Strategic Outline Case (SOC)

	The purpose of the SOC is to confirm the strategic context for the project, to make the case for change and to determine 'the preferred way forward'
SUD	Sustainable Urban Development (part of the ESIF programme): Part of the European Structural and Investment Funds programme operating as an Integrated Territorial Investment Instrument, which demonstrates the value of place-based solutions in responding to social, environmental and economic challenges. The area to be covered by SUD is the City Region's urban core of West Yorkshire and York.
TfN	Transport for the North A statutory sub-national transport body, which is a partnership of public and private sector representatives working with central Government and national transport bodies to develop and deliver strategic transport infrastructure across the North of England .
UDM	Urban Dynamic Model: A simulation of how transport interacts with population, employment and land-use over long periods of time, typically ten years or more. It helps understand how transport could contribute to economic regeneration.
VfM	Value for Money: The most advantageous combination of cost, quality and sustainability to meet customer requirements.
TAG	Web-based Transport Appraisal Guidance: Guidance on the conduct of transport studies. It provides advice on how to set objectives and identify problems, develop potential solutions, create a transport model for the appraisal of the alternative solutions and how to conduct an appraisal which meets the department's requirements.
West Yorkshire Transport Levy	An annual levy on the West Yorkshire authorities, which is used to invest in priority schemes / programmes across West Yorkshire, helping to deliver a number of key transport priorities.

11 Document control

Document version control	
Year:	2022 <u>23</u> - 24 <u>3</u>
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Report to: West Yorkshire Combined Authority

Date: 2 February 2023

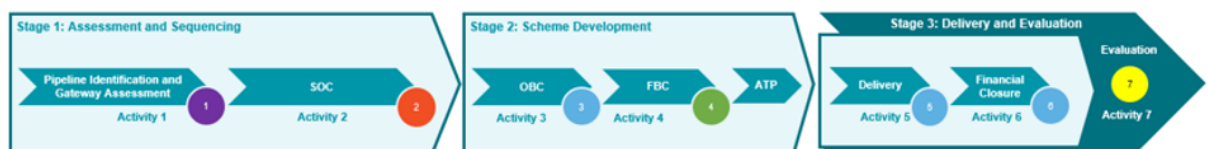
Subject: Project Approvals - Investment Priority 1 – Good Jobs and Resilient Businesses (including entrepreneurialism)

Director: Phil Witcherley, Interim Director, Inclusive Economy, Skills & Culture

Author: Craig Taylor, Head of Portfolio Management and Appraisal

1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for projects under Investment Priority 1 – Good Jobs and Resilient Businesses (including entrepreneurialism), within the West Yorkshire Investment Strategy (WYIS), that have been considered at stages 1, 2 and 3 of the Combined Authority’s assurance process.



- 1.2 The recommendations can be found in Section 12 of this report.

2 Report

- 2.1 This report presents proposals for the progression of schemes through the Combined Authority’s assurance process in line with the Combined Authority’s Assurance Framework. Further details on the schemes summarised below can be found as part of this report.
- 2.2 For more detail on the Combined Authority’s Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.

3 Investment Priority 1 – Good Jobs and Resilient Businesses (including entrepreneurialism)

- 3.1 The West Yorkshire Investment Strategy (WYIS) sets out the Investment Priorities for the period 1 April 2021 to 31 March 2024 across six areas. In

each, a number of priority project / programme areas have been identified that are the focus for intervention.

3.2 Investment Priority 1 will deliver a range of programmes and schemes which focus on:

- Creating good work
- Supporting businesses to innovate and export.
- Creating resilient supply chains.
- Increasing the size of the West Yorkshire business base
- Reducing levels of deprivation.
- Safeguarding jobs and create new job opportunities.
- Connecting vulnerable groups and deprived communities to economic opportunity.

Scheme summaries

<p>High Growth Enterprise Programme West Yorkshire</p>	<p>Scheme description</p> <p>This scheme will provide support to new businesses in their early years. Eligible schemes, ranging from those at start up to under three years old across the West Yorkshire region, will be able to access a range of support, including financial loans or grants, targeted business advice and support. This scheme will build on the achievements and lessons of the existing Ad:Venture Programme.</p> <p>The scheme is to be delivered through the gainshare funding for Investment Priority 1 - Good Jobs and Resilient Businesses.</p> <p>Impact</p> <p>The scheme will support up to 2,400 businesses over 3 years, including approximately 12,000 hours of advice and 386 cases of financial intervention with the target of creating up to 610 jobs.</p> <p>In addition to supporting existing businesses in their early years, this scheme aims to facilitate an increase in the number of new business start-ups in West Yorkshire by 100 and to set further targets for increasing 1-year business survival rates.</p> <p>The scheme is expected to deliver good value for money.</p> <p>Decision sought</p> <p>Approval to proceed through decision point 2 to 4 (Business Justification) and work commences on activity 5 (Delivery).</p> <p>Total value of the scheme - £10,352,563</p> <p>Total value of Combined Authority funding - £5,000,000</p> <p>Funding recommendation sought - £5,000,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>Digital Enterprise</p> <p>West Yorkshire</p>	<p>Scheme description</p> <p>The scheme will provide growth and scale up opportunities to Small and Mediums Sized Enterprises (SMEs) through investing in digital technologies.</p> <p>The scheme will improve access to digital infrastructure, improving access and take up of digital facilities and online services, promotion of digital security and productivity which are outlined in the West Yorkshire Investment Strategy as priority areas for investment to support SME (Small to Medium sized Enterprises) businesses. The Digital Enterprise programme contributes towards these priorities through the Digital Growth and Connectivity Voucher schemes, allowing businesses to upgrade the speed and reliability of their broadband connection, invest in IT and improve cybersecurity. Increased uptake of digital services will improve the range of options made available by suppliers, particularly in less well served districts.</p> <p>The scheme is to be delivered through the UK Shared Prosperity Fund (UKSPF).</p> <p>Impact</p> <p>Digital Enterprise helps to fund adoption of a wide range of technologies that are constantly advancing, and continuously facilitating efficiency and waste reduction. Examples range from the most basic level of enabling a paperless office, to implementing cloud data storage, which uses far less energy than traditional servers; solutions improving connectivity and communications; removing the need to travel through videoconferencing and remote working solutions; development of interactive websites and ecommerce facilities to open up new markets, through to using delivery mapping technology that optimises vehicle routes to reduce journeys and therefore carbon emissions.</p> <p>The scheme is expected to offer high value for money.</p> <p>Decision sought</p> <p>Approval to proceed through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £8,686,772</p> <p>Total value of Combined Authority funding - £4,676,147</p> <p>Funding recommendation sought - £4,676,147</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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4 Information

- 4.1 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:
- The progression of a scheme through a decision point to the next activity.
 - Indicative or full approval to the total value of the scheme funding requested.
 - The Combined Authority's entry into a funding agreement with the scheme's promoter.
 - The assurance pathway and approval route for future decision points.
 - The scheme's approval tolerances.
- 4.2 This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

- 4.3 There are no schemes to review at this stage.

Projects in Stage 2: Scheme development

Project Title	High Growth Enterprise Programme
Stage	2 (scheme development)
Decision Point	2,3 and 4 (business justification)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.4 The scheme will provide enterprise support to start-up businesses and firms under three years old across West Yorkshire. The programme will seek to contribute to tackling three areas of market failure: low business birth rate, business survival rates and access to finance. It will do this by providing information, diagnostic and brokerage support to businesses, access to training, and provide financial assistance through access to loans and grants to stimulate investment and create jobs.
- 4.5 The scheme has been developed based on learning from the existing Ad:Venture Programme. A review of the existing Ad:Venture Programme (May 2022) concluded that Ad:Venture fills a clear gap in the business support landscape, and an earlier review (January 2022) concluded that targeted advice for start-ups is limited in the region, and that Ad:Venture was effective at engaging individuals that are under-represented in publicly funded business support.
- 4.6 The scheme will deliver against the 'levelling up' agenda by increasing productivity and will contribute to the Mayoral Pledges: to create well-paid skilled jobs for young people, to support local businesses, and to prioritise skills and training.
- 4.7 The scheme is seeking £5,000,000 from the Combined Authority's Gainshare allocation for Investment Priority 1 - Good Jobs and Resilient Businesses to boost productivity by helping businesses grow and invest in the region and their workforce, driving economic growth, increasing innovation, and creating jobs.
- 4.8 A summary of the scheme's business case is included in **Appendix 2**.

Tackling the Climate Emergency Implications

- 4.9 Each business that receives support through the programme will be encouraged to engage with the Combined Authority's clean growth programmes that can provide them with advice and support on active and sustainable travel, reducing energy use and carbon emissions, and ways to improve recycling and reuse. Further funding can then be made available to support businesses to implement changes.
- 4.10 A Stage 2 Carbon Impact Assessment has been submitted for the scheme. With the scheme, businesses will be supported to develop and grow, meaning more employment opportunities for people living in West Yorkshire. Although this could mean a small increase in emissions, the programme is aimed at young businesses that are less likely to have a significant impact due to their size. Further to this, the programme will link businesses to clean growth programmes, and therefore could have a positive impact on emissions.

Outputs and Benefits

- 4.11 The scheme outputs and benefits include:
- The scheme will support 2,400 businesses in the 3-year programme.
 - 12,000 hours of advice will be delivered.
 - Up to 610 jobs will be created.
 - 200 loans will be awarded (totalling £5,000,000) at an average of £25,000 per loan.
 - 186 grants will be awarded (totalling £1,400,000) at an average of 7,500 per loan.
 - The scheme will achieve 386 financial interventions.
 - The scheme will achieve a private sector match based on £1 levered in for every £1 of grant or loan awarded, totalling £6.4 million
 - The Prince's Trust will deliver an output of 450 potential entrepreneurs being assisted to be enterprise ready.
 - The Prince's Trust will deliver assistance to 50 start-ups.
 - Clients surviving at 12 and 24 months will be monitored, however fixed targets have not yet been set for these outputs due to fluctuations in the state of the economy.
- 4.12 The scheme is expected to offer good value for money. The cost of a single business being supported has been calculated as being £4,314.00. As a comparison, the forecasted unit cost for "enterprises supported" on the ERDF-funded Tees Valley Business Start-up programme, that was mentioned in AD:Venture's independent Grant Review in March 2022, is £11,205.60.

Inclusive Growth Implications

- 4.13 The scheme inclusive growth implications include:

- The scheme will enable disadvantaged groups to access business support, including for those that have been adversely impacted by the pandemic such as retailers and firms in the hospitality and leisure sector and clients located in town centres.
- Support will be provided for businesses that can demonstrate growth potential and limited displacement (businesses moving from one area to another). This was a recommendation that came out of the assessment of the existing Ad:Venture programme.
- The scheme will provide support to growing businesses and boost young businesses, including those owned by people from disadvantaged groups and deprived neighbourhoods.

Equality and Diversity Implications

- 4.14 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.
- 4.15 All partners working on the scheme are aware of the requirement to increase engagement and effectiveness of support to female, ethnic minorities, and disabled entrepreneurs, and to other disadvantaged groups. Research has provided baselines and progress will be monitored through the programme case management system so actions can be taken accordingly.
- 4.16 A grant and Equality, Diversity and Inclusion review of the existing programme (January 2022) concluded that Ad:Venture was “effective at engaging individuals that tend to be under-represented in publicly funded business support”.

Risks

- 4.17 Key scheme risks include:
- Risk of the extension of the programme to include business to consumer businesses not being successful. Mitigation - the programme team will work closely with the Combined Authority and partners to deliver the programme, and to define eligibility criteria for businesses to ensure economic impact and value for money.
 - Economy going into recession, leading to lower job creation, and impacting on output targets being achieved. The service team is experienced in adapting to changing economic conditions and targets are realistic, based on the existing programme which has been successful through a number of economic challenges.

Costs

- 4.18 The total scheme cost is £10,352,563, seeking £5,000,000 from the Combined Authority’s Gainshare Fund. A funding agreement will be entered into between The Combined Authority and Leeds City Council for expenditure of up to £5,000,000.

4.19 The remaining funding is:

- £5,000,000 loan fund from The Business Enterprise Fund (BEF).
- £85,781 contribution from District Councils towards salary costs.
- £266,782 contribution from The Prince's Trust.
- Match contributions from private sector for grants received.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 to 4 (Business Justification)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	02/02/2023
5 (delivery closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	31/03/2026

Other Key Timescales

4.20 Other key timescales are:

- Delivery of the new programme will begin on 01 April 2023.
- The interim evaluation of the programme will take place by 30 September 2024.
- The final evaluation of the programme will take place by 30 November 2025.
- Delivery closure will complete 31 March 2026.

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within 10% of those outlined in this report Delivery timescales remain within 3 months of those outlined in this report. Outputs remain within -10% of those outlined in this report.

Appraisal Summary

- 4.21 There is a strong strategic case for the programme, aligning to the Mayoral Pledges, and the scheme fills a gap in provision of support to young and start-up businesses.
- 4.22 The programme has been developed through learning from the existing programme and has been designed to fit with a reduction in access to funding.

- 4.23 The programme and delivery team are experienced in implementing and delivering programmes of this nature.
- 4.24 Additional programme documents, such as an Evaluation Plan, will be developed by Leeds City Council in collaboration with the Combined Authority during mobilisation phases of the new programme.

Recommendations

- 4.25 The Combined Authority, subject to the conditions set by the Programme Appraisal Team, approves that:
- (i) The High Growth Enterprise scheme proceeds through decision point 2 to 4 (Business Justification) and work commences on activity 5 (Delivery).
 - (ii) Approval to the Combined Authority's contribution of £5,000,000. The total scheme value is £10,352,563.
 - (iii) The Combined Authority enters into a Funding Agreement with Leeds City Council for expenditure of up to £5,000,000.
 - (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report, any change requests are delegated to the Business, Economy and Innovation Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	Digital Enterprise
Stage	2 (scheme development)
Decision Point	2,3 and 4 (business justification)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

4.26 The UK Shared Prosperity Fund (UKSPF) was launched in April 2022. The UKSPF will support the UK government’s wider commitment to level up all parts of the UK by delivering on each of the levelling up objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
- Spread opportunities and improve public services, especially in those places where they are weakest.
- Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
- Empower local leaders and communities, especially in those places lacking local agency.

4.27 UKSPF is the Government’s successor to the ESIF programme, aiming to “build pride in place and increase life chances across the UK” through three investment priorities/pillars:

- Communities and place.
- Supporting local business.
- People and skills.

4.28 The Digital Enterprise Programme started in 2016. The programme has been funded to date by ERDF (European Regional Development Fund) along with contributions from Local Authorities within West Yorkshire. The current programme is due to end in June 2023. There is a clear need for the continuation of support to SMEs and due to the programme ending in June 2023, applications for grants will cease from the end of March 2023. As supported by the West Yorkshire Local Partnership Group, UKSPF has been

identified as funding to support the continuation of the programme to provide support to SMEs throughout the West Yorkshire.

4.29 The main objectives of the programme include:

- Deliver Level 1 grant funding of up to 50% or maximum £10,000 for approximately 450 capital investment digital transformation projects, which will be available to all sectors (including business to consumer organisations, in line with West Yorkshire Business Support policy).
- Support a limited number (approximately 30) complex, high value and high impact projects worth between £25,000- £100,000, with grants being available for up to 50% of the project value and capped at £35,000. This includes intensive advisor support in scoping projects and assessing alternative solutions, including tender compliance.

4.30 The programme aligns with the Mayoral priorities to:

- Support local businesses and be a champion for our local economy; the current programme has provided support to almost 1,400 SMEs in West Yorkshire since 2019, allowing them to grow and scale up through investing in digital technologies. In addition, the programme is a champion for the local economy with its annual flagship TOP 100 campaign, recognising one hundred of the most digitally innovative, transformative, and resilient businesses in West Yorkshire.
- Create 1,000 well paid, skilled, green jobs for young people; the Programme supports individual business embracing digitalisation, and also stimulates demand for local suppliers of digital and creative services.

4.31 A summary of the scheme's business case is included in **Appendix 3**.

Tackling the Climate Emergency Implications

4.32 Digital Enterprise helps to fund adoption of a wide range of technologies that are constantly advancing, and continuously facilitating efficiency and waste reduction. Examples range from the most basic level of enabling a paperless office, to implementing cloud data storage, which uses far less energy than traditional servers; solutions improving connectivity and communications, removing the need to travel through videoconferencing and remote working solutions, through to using delivery mapping technology that optimises vehicle routes, reducing journeys and therefore carbon emissions.

4.33 A Stage 2 Carbon Impact Assessment has been submitted. With the scheme, businesses will be supported to develop and grow, meaning more employment opportunities for people living in West Yorkshire. Although this could mean a small increase in emissions, overall, the scheme is viewed as having a beneficial impact; Digital Enterprise has previously supported numerous projects which have had a positive carbon impact, for example by supporting the shift of offices to being paperless.

Outputs and Benefits

4.34 The project will deliver against the following UKSPF interventions which will result in the following outputs and outcomes being delivered by March 2025:

E24: Training hubs, business support offers, incubators & accelerators

- Number of businesses receiving grant – 480.
 - Number of enterprises receiving non-financial support – 240.
 - Jobs created as a result of support – 120.
 - Number of enterprises adopting new or improved products or services – 120.
 - Number of enterprises adopting new to the firm technologies or processes – 120.
 - Increased amount of investment through match funding from businesses - £4,010,625.
 - To provide support to enterprises, 20% of which are located in the 20% most deprived areas of West Yorkshire by March 2025. Leeds City Council will need to measure and report on Equality, Diversity and Inclusion in line with the Combined Authority's UKSPF Indicator guidance for West Yorkshire.
- 4.35 The preferred option is expected to deliver high value for money. The cost per 'intensive' assist to a business is estimated at £9,742, comparing favourably with costs for similar business support programmes. In 2013 an economic development consultancy estimated that the median unit cost for 'medium intensity' business support programmes funded through the European Regional Development Fund was £10,000. After allowing for inflation, the Digital Enterprise unit costs are approximately 76% of the median unit costs set in 2013. The preferred option is therefore expected to deliver high value for money."

Inclusive Growth Implications

4.36 Businesses that receive grant funding from Digital Enterprise will be supported by the Digital Growth Advisor team to make a voluntary inclusive growth commitment. Digital Enterprise will aim for 20% of SMEs (small to medium sized enterprises) on the programme to be based in or in close proximity to deprived communities across West Yorkshire.

Equality and Diversity Implications

4.37 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development. EDI will be monitored as part of the UKSPF monitoring and evaluation contractual requirements.

Risks

4.38 A key scheme risk is:

- Failure to meet outputs due to tight timescales. This is mitigated by ensuring the scheme delivery timeframes are monitored and key planning activities undertaken prior to commencing delivery.

Costs

- 4.39 The total scheme costs are £8,686,772.
- 4.40 The Combined Authority's contribution is £4,676,147 from the UK Shared Prosperity Fund.
- 4.41 The remaining funding is £4,010,625 of private sector match funding.
- 4.42 The Combined Authority will need to enter into a funding agreement with Leeds City Council for expenditure of up to £4,676,147 from the UK Shared Prosperity Fund.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 to 4 (Business Justification)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	02/02/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	31/03/2025

Other Key Timescales

- 4.43 This scheme will start delivery in July 2023 and be completed by 31 March 2025.

Assurance Tolerances

Assurance tolerances
<p>Combined Authority costs remain within those outlined in this report.</p> <p>Delivery (DP5) timescales to be completed by 31st March 2025 in line with UKSPF requirements.</p> <p>Output tolerances will be set for all schemes within the Funding Agreement and in line with those set out by Government UK Shared Prosperity Fund technical guidance.</p>

Appraisal Summary

- 4.44 There are strong strategic drivers for re-investment into the Digital Enterprise programme, evidenced through the successes of the existing programme. The existing programme has supported over 3,000 businesses, being a vital source of specialist impartial advice and grant funding for SMEs seeking to

invest in digital technology and improve resilience, productivity and growth. Renewal of the programme and making improvements to the programme in line with delivery experience, will further support the West Yorkshire Investment Priorities, and will contribute to the Mayoral Pledges to support local businesses and job creation for young people.

- 4.45 The aim of the programme is to use innovation and technology to boost business productivity in SMEs in line with the UK Industrial Strategy thereby helping to provide the conditions for a sustainable improvement to earnings in the economy. Recent research produced on the UK's Regional Digital Ecosystems have identified over £40 billion of additional growth UK wide which could be delivered through growing the Digital Economy. The Digital Enterprise Programme meets a range of objectives set out in national, regional and local strategies such as the recently approved West Yorkshire Digital Skills Plan.

Recommendations

- 4.46 The Combined Authority approves that:
- (i) The Digital Enterprise scheme proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
 - (ii) Approval to the Combined Authority's contribution of £4,676,147 is given. The total scheme cost is £8,686,772.
 - (iii) The Combined Authority enters into a Funding Agreement with Leeds City Council for expenditure of up to £4,676,147.
 - (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report, any change requests are delegated to the Finance, Corporate and Resources Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3: Delivery and Evaluation

- 4.47 There are no schemes to review at this stage.

5 Tackling the Climate Emergency implications

- 5.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

6 Inclusive Growth implications

- 6.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

7 Equality and Diversity implications

- 7.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

8 Financial implications

- 8.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

9 Legal implications

- 9.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

10 Staffing implications

- 10.1 A combination of Combined Authority and local partner council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

11 External consultees

- 11.1 Where applicable scheme promoters have been consulted on the content of this report.

12 Recommendations (Summary)

High Growth Enterprise Programme

- 12.1 The Combined Authority, subject to the conditions set by the Programme Appraisal Team, approves that:
- (i) The High Growth Enterprise scheme proceeds through decision point 2 to 4 (Business Justification) and work commences on activity 5 (Delivery).
 - (ii) Approval to the Combined Authority's contribution of £5,000,000. The total scheme value is £10,352,563.
 - (iii) The Combined Authority enters into a Funding Agreement with Leeds City Council for expenditure of up to £5,000,000.
 - (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report, any change requests are delegated to the Business, Economy and Innovation Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

Digital Enterprise

- 12.2 The Combined Authority approves that:
- (i) The Digital Enterprise scheme proceeds through decision point 2 to 4 (business justification) and work commences on activity 5 (delivery).
 - (ii) Approval to the Combined Authority's contribution of £4,676,147 is given. The total scheme cost is £8,686,772.

- (iii) The Combined Authority enters into a Funding Agreement with Leeds City Council for expenditure of up to £4,676,147.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report, any change requests are delegated to the Finance, Corporate and Resources Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

13 Background Documents

13.1 None as part of this report.

14 Appendices

Appendix 1 - Background to the Combined Authority's Assurance Framework.

Appendix 2 – High Growth Enterprise Programme Business Case Summary.

Appendix 3 – Digital Enterprise Business Case Summary.

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Project Approvals

Appendix 1 - Assurance Framework

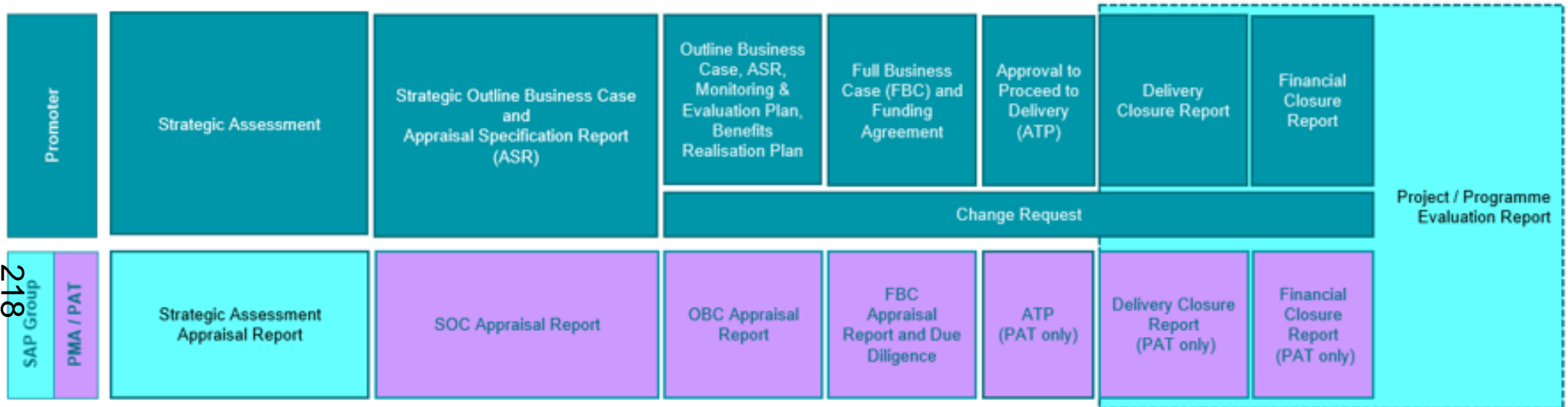
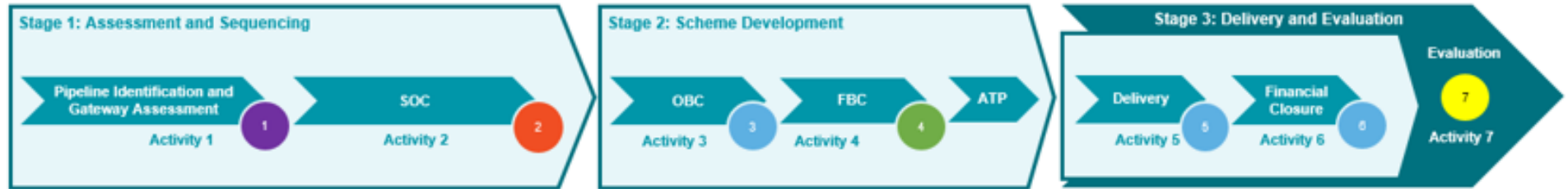
1 Assurance Framework

- 1.1 The Combined Authority's Assurance Framework was developed in 2015 as part of the Growth Deal with Government. Its purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the Strategic Economic Framework (SEF) ambitions and the West Yorkshire Investment Strategy (WYIS).
- 1.2 The Framework's focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the Leeds Enterprise Partnership (LEP) and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded from Government or local sources that flow through the LEP and Combined Authority and must be reviewed annually, as stipulated by Government.

Assurance Process

- 1.3 The process is flexible, in that each project or programme will be set a bespoke approval pathway and approval route to be followed. This may be to delegate decisions to a Committee, Managing Director (MD) etc. or it may be that certain decision point (activity) approvals are not required, or that bid documents to other government departments can be utilised. Furthermore, development costs can be funded at decision point 1 and beyond.
- 1.4 Approval is required at Combined Authority (CA) for all programmes and projects at least once in their lifetime and this is usually at decision point 2 (Strategic Outline Case). The Assurance Pathway and Approval Route is also set at this point.
- 1.5 At FBC (Decision Point 4), the Programme Appraisal Team (PAT) sets conditions that must be met before full approval of funding is given and the project has Approval to Proceed to Delivery (Activity 5).
- 1.6 In line with the revised Green Book, in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of the project. This might for example include, but not limited to, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use and / or supporting / accelerating housing development. The specific approach will be determined on a programme by programme basis as funding and investment streams come forward.
- 1.7 The Assurance Process is set out below:

Assurance Process



KEY: ● Key Decision Point (CA Approval Required) ● Key Decision Point (Committee Approval may be required) ● Decision Point (Committee Approval may be required) ● Decision Point ● Reporting Point

Stage 1: Assessment and Sequencing

- 1.8 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the West Yorkshire Investment Strategy (WYIS). Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (Decision Point 1).
- 1.9 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

Stage 2: Scheme Development

- 1.10 If approved the scheme will progress to OBC unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The economic case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (decision point 3) as set out in the approval pathway and route approved at decision point 2.
- 1.11 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.
- 1.12 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an

officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

- 1.13 A Single Stage Business Case, called Business Justification, has now been introduced for transport and non-transport projects that are either below £2,000,000, low complexity, low risk and / or not novel or contentious. Although this is a single stage approval, replacing decision point 2 (SOC), decision point 3 (OBC) and decision point 4 (FBC), the remainder of the assurance process must still be followed.

Stage 3: Delivery and Evaluation

- 1.14 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 1.15 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (decision point 5) as set out in the approval pathway and route approved at decision point 2.
- 1.16 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (decision point 6) as set out in the approval pathway and route approved at decision point 2.
- 1.17 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 1.18 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

2 Future assurance and approval route

- 2.1 The tables for each scheme in the main report outline the proposed assurance process and corresponding approval route for the scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route

indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

3 Tolerances

- 3.1 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to a Committee and/or the Combined Authority for further consideration.

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Project Overview

Project Title	High Growth Enterprise Programme
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Main Funding Programme	Gainshare Investment Priority 1 - Good Jobs and Resilient Businesses
Current Forecast Project cost	£10,352,563
Funding Applied for from the Combined Authority now	£5,000,000
Private sector funding amounts and sources	£85,781 District Councils £5m loan fund from The Business Enterprise Fund £266,782 The Prince's Trust Plus Private Sector Match contributions from grant funds

Scheme Description

The scheme is seeking £5 million Gainshare funding to provide enterprise support to start-up businesses under three years' old across West Yorkshire, building on learning from the existing Ad:Venture Programme.

The scheme will provide information, diagnostic and brokerage support to businesses, and provide financial assistance to stimulate investment and create jobs. This will include access to a loan fund of £5 million from The Business Enterprise Fund (BEF), managed by the BEF, and a grant fund of circa £1.4 million managed by the Programme Team.

The scheme will provide support to young businesses, thus aligning with Leeds City Council's Inclusive Growth Strategy and with West Yorkshire's Mayoral Pledges.

Business Case Summary

Strategic Case

The scheme will provide support to young businesses, thus aligning with Leeds City Council's Inclusive Growth Strategy by: backing innovators and entrepreneurs in business, working together to create better jobs, tackling low pay and boosting productivity, and building a federal economy by creating jobs close to communities.

Furthermore, the scheme will support the delivery of the Combined Authority's West Yorkshire Investment Strategy, specifically, priority 1 by supporting good jobs and resilient businesses. The scheme will support and enable the Mayoral Pledges to create 1,000 well paid, skilled jobs for young people; to support local businesses; to prioritise skills training.

Each of the businesses receiving support through the programme will be encouraged to engage with the Combined Authority/LEP's clean growth programmes; in addition, the scheme aligns with the Combined Authority's inclusivity growth priorities.

Economic Case

The scheme has been developed using learning from the existing programme and assessments of how this is currently being delivered. Due to reduced funding, elements of the scheme have been appraised and prioritised. The scheme aims to support 2,400 business throughout the 3-year programme. Outputs include the creation of new, good jobs, getting entrepreneurs enterprise ready, and to improve business survival rates.

Commercial Case

A review of the existing Ad:Venture Programme (May 2022) concluded that Ad:Venture fills a clear gap in the business support landscape, and an earlier review (January 2022) concluded that targeted advice for start-ups is limited in the region, and that Ad:Venture was effective at engaging individuals that are under-represented.

Contracts will be tendered according to Leeds City Council's procurement regulations.

Financial Case

The total scheme cost is £10,352,563 over three years.

£5 million of the funding will come from Gainshare funding.

There will be a contribution from District Councils of £85,781

There will be a contribution from The Prince's Trust of £266,782.

There will be a £5m loan fund from The Business Enterprise Fund (BEF).

Further contributions (£6.579 million) will come from private sector match funding.

Management Case

Leeds City Council will be delivering the scheme with partners involvement. Partners include District Councils, The Princes Trust, and The Business Enterprise Fund. The delivery and reporting structure will be based on what works in the existing Programme. Monthly meetings with partners will commence January 2023. The project will be completed 31st March 2026.

Project Overview

Project Title	Digital Enterprise
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Main Funding Programme	UK Shared Prosperity Fund (UKSPF)
Current Forecast Project cost	£8,686,772
Funding Applied for from the Combined Authority now	£4,676,147
Private sector funding amounts and sources	£4,010,625

Scheme Description

The scheme is seeking UK Shared Prosperity Funding to enable the continuation of the Digital Enterprise Programme. The scheme is seeking delivery of a 1.75 year programme, commencing July 2023 (when the current Digital Enterprise Programme closes), to help SMEs achieve economic growth, improved productivity and resilience, and to create skills jobs, by investing in digital technology.

The scheme will deliver Level 1 grant funding of up to 50% or maximum £10k for circa 450 digital transformation projects, available to all sectors (including Business to Consumer organisation), and will support a limited number (circa 30) complex, high value and high impact projects worth between £25k-£100k, with intensive Advisor support in scoping projects and assessing solutions.

Business Case Summary

Strategic Case

Digital Enterprise is uniquely placed to provide a digital support programme for the region. Its contribution to the continued growth of West Yorkshire's digital economy was recognised in the Leeds City Region Digital Framework, where Digital for all business was outlined as a key outcome and specific recommended actions included exploring lessons learnt and opportunities to expand the Digital Enterprise programme.

Improving access to digital infrastructure, improving access and take up of digital facilities and online services, and promotion of digital security are outlined in the West Yorkshire Investment Strategy as priority areas for investment to support SME businesses and importantly the UKSPF West Yorkshire Local Investment Plan – Pillar 2 Supporting Local Business. The Digital Enterprise programme contributes towards these priorities through the Digital Growth and Connectivity Voucher schemes, allowing businesses to upgrade the speed and reliability of their broadband connection, invest in IT and increase Cybersecurity. Increased uptake of connectivity solutions will in turn improve the range of options made available by suppliers, particularly in less well served districts.

Economic Case

The current Digital Enterprise programme supports West Yorkshire, of which over 80% of funding has been provided to businesses in West Yorkshire. This equates to almost 1,400 SMEs receiving support from the programme since 2019, allowing them to grow and scale up through investing in digital technologies.

The programme will focus on established businesses with the capacity to support large scale digital transformation projects as well as increasing the capacity to process smaller projects more quickly and at lower cost. It will continue to act as a champion for digital transformation as the means of achieving productivity improvements and business growth. Given the reduction in funding available,

the scheme must deliver excellent value for money with the cost per intensive business assist being kept at comparable levels to the current programme.

Commercial Case

The 2021 Leeds City Region Business Survey highlighted that 32% of businesses stated that Digital Skills/ advanced IT represented a skills gap that needed to be addressed, whilst Sales and Marketing was cited by a further 36%.

The Digital Enterprise programme will be delivered by an in-house team employed by Leeds City Council.

Financial Case

The total cost of the scheme is £8,686,772. Combined Authority funding of £4,676,147 is requested from UKSPF. The remainder of funding will be contributed by private sector match funding.

Management Case

The scheme will be managed and delivered by Leeds City Council. The existing programme team is highly experienced and supported by the Head of Funding Programmes and Business Support within Leeds City Council. The team will report to a Project Board of representatives from West Yorkshire Local Authorities and the West Yorkshire Combined Authority. Quarterly progress reporting will also go to the UKSPF West Yorkshire Partnership Group to monitor progress and performance.



Report to: West Yorkshire Combined Authority

Date: 2 February 2023

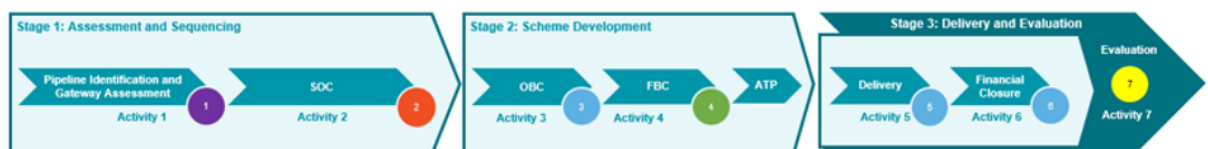
Subject: Project Approvals - Investment Priority 3 – Creating Great Places and Accelerated Infrastructure

Director: Liz Hunter, Director of Policing, Environment & Place

Author: Craig Taylor, Head of Portfolio Management and Appraisal

1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for projects under Investment Priority 3 – Investment Priority 3 – Creating Great Places and Accelerated Infrastructure, within the West Yorkshire Investment Strategy (WYIS), that have been considered at stages 1, 2 and 3 of the Combined Authority’s assurance process.



- 1.2 The recommendations can be found in Section 12 of this report.

2 Report

- 2.1 This report presents proposals for the progression of schemes through the Combined Authority’s assurance process in line with the Combined Authority’s Assurance Framework. Further details on the schemes summarised below can be found as part of this report.
- 2.2 For more detail on the Combined Authority’s Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.

3 Investment Priority 3 (IP3) - Creating Great Places and Accelerated Infrastructure

- 3.1 The West Yorkshire Investment Strategy (WYIS) sets out the Investment Priorities for the period 1 April 2021 to 31 March 2024 across six areas. In

each, a number of priority project / programme areas have been identified that are the focus for intervention.

3.2 Investment Priority 3 will focus on place-making, housing, regeneration, flood risk and digital infrastructure, by delivering programmes and schemes which will:

- Accelerate the transformation of towns and cities into successful, resilient, sustainable places.
- Increase flood resilience and enhance property level flood resilience for businesses
- Create healthier, positive and greener places.
- Strengthen existing places
- Create new, future-proofed, well-designed developments.
- Increase access to gigabit-capable broadband in hard to reach and/or rural areas.
- Reduce fuel poverty.

Scheme summaries

<p>Capital Flood Risk Management Programme</p> <p>West Yorkshire</p>	<p><u>Scheme description</u></p> <p>The Capital Flood Risk Management Programme contributes to the delivery of the West Yorkshire Investment Strategy (WYIS) Investment Priority 3 – Creating Great Places and Accelerated Infrastructure. The WYIS identifies increasing flood resilience as a desired outcome and accelerating the delivery of the Capital Flood Risk Management schemes, as part of a wider approach to climate change mitigation, resilience and carbon sequestration, the capturing, removal and storage of carbon dioxide from the atmosphere, as a priority area for investment.</p> <p>In West Yorkshire approximately 39,000 residential properties and 13,000 commercial properties are within a flood zone and as a result of climate change, flooding is likely to become a more frequent occurrence.</p> <p>There is now a consistent pattern of wet winter periods, with saturated land and consistently high river levels making our communities increasingly vulnerable to the heightened frequency of intense storms. Many communities, particularly in small towns, are struggling to recover, and businesses are unable to plan for sustainable growth. These ongoing flood incidents have reinforced the need to secure capital investment to allow communities to be more resilient to flooding and avoid both the human suffering and economic cost that comes with these events.</p> <p>The Capital Flood Risk Management Programme aims to:</p> <ul style="list-style-type: none"> • Enhance flood protection to protect businesses, homes and jobs. • Provide flood protection to vulnerable and deprived areas, including those defined as the top 10-20% most deprived • Deliver innovative schemes, incorporating new methods that will be transferable to other areas and overall management of space for water. <p>The programme is proposed to be funded by the gainshare allocation for Investment Priority 3 alongside other potential funding sources. It is proposed that packages of schemes are developed assuming £10,000,000 of match funding from the Combined Authority to support delivery of this programme. The match funding will be used to leverage or unlock other funding sources as they arise.</p> <p><u>Impact</u></p> <p>The programme has the potential to lead to a reduction in the economic and social cost of flooding, such as the avoidance of repair costs to residential and commercial assets, negating the damage costs associated with wider transport/utilities infrastructure, and improved mental health and wellbeing for those living and working within the affected area.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 1 (strategic assessment) and for work to commence on the development of individual business cases.</p> <p>Total value of the scheme - £249,000,000</p>
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	<p>Investment required - £58,412,582 with a proposal that £10,000,000 of Combined Authority funding is utilised in order to leverage other sources</p> <p>Funding recommendation sought - £113,735</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>Flood Alleviation Scheme 2</p> <p>Leeds</p>	<p><u>Scheme description</u></p> <p>This scheme will reduce flood risk to residential and commercial property along the River Aire in Leeds. The scheme will deliver new flood walls, conveyance improvement works, a flood attenuation area at Calverley, plus access improvement works and green infrastructure at Kirkstall Valley Nature Reserve. Through these interventions, the scheme will provide protection against a 1 in 200-year flood event for the upstream section of the river between Leeds Railway Station and Newlay beyond Kirkstall corridor to the west of the city.</p> <p>The first element (Step 1) of this scheme, which was partially funded through the Local Growth Fund, has been completed and is operational. The second element (Step 2) is currently under construction however, due to significant inflation impacts the costs required to complete the scheme have increased and there is now a funding gap impacting delivery.</p> <p>This scheme will be funded from the Government's Department for Business, Energy, and Industrial Strategy (BEIS) Capital Investment Fund.</p> <p><u>Impact</u></p> <p>The scheme will reduce the risk of flooding and its associated impacts to the affected homes, businesses, and key infrastructure in the area. It will also protect future development land which will increase developer and business confidence to ensure future investment and growth in the Leeds area.</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 8.9. This is categorised as very high value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 1 to 4 (business justification) and work continues on activity 5 (delivery).</p> <p>Total value of the scheme - £125,826,000</p> <p>Total value of Combined Authority funding - £12,565,000</p> <p>Funding recommendation sought - £12,565,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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- 3.3 Since the Combined Authority’s meeting on 08 December 2022, the following decision points and change requests have been assessed in line with the Combined Authority’s assurance process and were presented through the agreed delegation to the Place, Regeneration and Housing Committee at its meeting on 05 January 2023 following a recommendation from Combined Authority Programme Appraisal Team.
- 3.4 However, the Place, Regeneration and Housing Committee on 05 January 2023 was not quorate and therefore the projects, although supported could not be formally approved. The Place, Regeneration and Housing Committee therefore recommended to the Combined Authority that the following projects be approved:
- 3.5 The full agenda and papers for the meeting can be found on the Combined Authority website [HERE](#).

<p>BHF Armley Tower Works</p> <p>Leeds</p>	<p><u>Scheme description</u></p> <p>This scheme will develop 50 affordable homes in Armley, Leeds comprised of 27 houses and 23 apartments.</p> <p>The scheme is to be delivered through the Brownfield Housing fund.</p> <p><u>Impact</u></p> <p>The scheme is within a sustainable urban location, close to jobs and a good transport network. The scheme will deliver new homes close to employment opportunities and also near some of the city’s most deprived neighbourhoods which will help reduce deprivation and inequality and promote access to employment and skills.</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 1.4:1. This is categorised as acceptable value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 to 4 (business justification) and work to commences on activity 5 (delivery).</p> <p>Total estimated value of the scheme – £9,909,032</p> <p>Total value of Combined Authority funding – £932,775</p> <p>Funding recommendation sought – £932,775</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>Galem House</p> <p>Bradford</p>	<p><u>Scheme description</u></p> <p>This scheme will develop 77 new apartments in Bradford City Centre.</p> <p>The scheme will restore a priority heritage building comprising of 0.13 Acres or 0.053 Hectares back into productive use, providing 77 new homes (apartments) in a key city centre location.</p> <p>The scheme is to be delivered through the Brownfield Housing fund.</p>
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	<p><u>Impact</u></p> <p>The scheme provides access to jobs and education opportunities. The scheme will deliver new homes close to employment opportunities and near some of the city's most deprived neighbourhoods which will help reduce deprivation and inequality and promote access to employment and skills.</p> <p>The value for money assessment reflects a benefit cost ratio (BCR) of 1:1 This is categorised as acceptable value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 4 (full business case) and work commences on activity 5 (delivery).</p> <p>Total estimated value of the scheme – £9,752,717</p> <p>Total value of Combined Authority funding – £1,200,000</p> <p>Funding recommendation sought – £1,200,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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4 Information

4.1 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

4.2 This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

Project Title	Capital Flood Risk Management Programme
Stage	1 (assessment and sequencing)
Decision Point	1 (strategic assessment)

Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Background

- 4.3 The Capital Flood Risk Management Programme contributes to the delivery of the West Yorkshire Investment Strategy (WYIS) Investment Priority 3 – Creating Great Places and Accelerated Infrastructure. The WYIS identifies increasing flood resilience as a desired outcome and accelerating the Capital Flood Risk Management schemes as part of a wider approach to climate change mitigation, resilience and carbon sequestration, the capturing, removal and storage of carbon dioxide from the atmosphere, as a priority area for investment.
- 4.4 In West Yorkshire approximately 39,000 residential properties and 13,000 commercial properties are within a flood zone and as a result of climate change, flooding is likely to become a more frequent occurrence.
- 4.5 The Boxing Day 2015 floods affected approximately 6,000 premises in Leeds City Region, with an economic cost of over half a billion pounds, of which £100,000,000 was for direct damage to key infrastructure such as bridges and roads. There was a significant economic impact in a number of areas, for example in Mytholmroyd and Brighouse:
- approximately 180 businesses were affected, employing 2,285 staff within various sectors
 - 50% of the large, advanced manufacturing and specialised engineering firms were affected
 - business rate losses were over £1,100,000 in Mytholmroyd within a three-month period.
- 4.6 The heavy rainfall accompanying Storm Ciara in February 2020, led to flooding throughout West Yorkshire affecting homes, businesses, schools and

infrastructure. The heavy rainfall caused properties to flood from a combination of sources, including surface water and river water.

- 4.7 Research undertaken by the University of Leeds and University of York in 2021 found that in Calderdale alone, during the winter of 2019/2020 the floods caused over £68,000,000 of losses.
- 4.8 There is now a consistent pattern of wet winter periods, with saturated land and consistently high river levels making communities increasingly vulnerable to the heightened frequency of intense storms. Many communities, particularly in small towns, are struggling to recover, and businesses are unable to plan for sustainable growth. These ongoing flood incidents have reinforced the need to secure capital investment to allow communities to be more resilient to flooding and avoid both the human suffering and economic cost that comes with these events.
- 4.9 Dependent on funding being secured, the Capital Flood Risk Management Programme aims to deliver 24 schemes, over eight years, which aims to:
- Enhance flood protection to approximately 3,600 homes, 2,760 businesses and 35,709 Full Time Equivalent jobs
 - Provide flood protection to vulnerable and deprived areas, including those defined as the top 10-20% most deprived
 - Deliver innovative schemes incorporating new methods that will be transferable to other areas and overall management of space for water.
- 4.10 The scheme also contributes to the Mayoral Pledge of tackling the climate emergency through managing flood risk and resilience with the programme being complementary to the Natural Flood Management Programme being funded under Investment Priority 4. Together these programmes deliver a comprehensive catchment level approach to flood risk management
- 4.11 The programme was considered by the Combined Authority's Strategic Assessment Prioritisation Group on 17 November 2022.
- 4.12 The programme is proposed to be funded by the gainshare allocation for Investment Priority 3 alongside other potential funding sources. It is proposed that packages of schemes are developed assuming £10,000,000 of match funding from the Combined Authority to support delivery of this programme. The match funding will be used to leverage or unlock other funding sources as they arise.
- 4.13 Approval is now sought via this report the programme to proceed through decision point 1 (strategic assessment) and for work to commence on the development of individual business cases within the programme and for £113,735 of development costs from the gainshare allocation for IP3.

Tackling the Climate Emergency Implications

- 4.14 The Combined Authority is working towards the challenging ambition of being a net zero carbon economy by 2038, and to have made significant progress by 2030. Climate change and the increased frequency and intensity of weather

patterns are making the risks associated with flooding more acute. The work by partners to enhance the region's flood protection can mitigate some of this risk.

Outputs and Benefits

4.15 If the full funding is secured £249,000,000, the scheme outputs and benefits include:

- Improved climate resilience and flood defences
- Creation of new flood alleviation schemes
- Refurbishing existing flood alleviation schemes
- Enhance flood protection to approximately 3,600 homes, 2,760 businesses and 35,709 FTE jobs (equivalent to £2bn GVA p.a.). The variety of jobs safeguarded is large, with opportunities for skills development in a range of employment sectors.
- Reduced impact upon transport and utilities infrastructure, such as roads closed due to flooding
- Improved mental health outcomes by reducing frequency and scale of flooding in communities
- The programme's construction phase equates to an estimated 2,347 full time equivalent (FTE) construction jobs that will be created and secured. A number of these are likely to be within the environment and green jobs sectors.

Inclusive Growth Implications

4.16 The scheme inclusive growth implications include:

- The programme will provide flood protection to vulnerable and deprived areas, including those defined as the top 10-20% most deprived by the Indices of Multiple Deprivation (IMD).
- Research undertaken by the Joseph Rowntree Foundation (JRF) has found that many socially deprived neighbourhoods are also socially vulnerable to climate events. Low-income households are less able to make their property resilient, and to respond to and recover from the impacts of floods. The ability to relocate is affected by wealth, as is the ability to take out insurance against flood damage. Furthermore, Yorkshire and Humberside is estimated to be the most flood-disadvantaged region in England.
- Initial analysis of the JRF Flood Vulnerability Index, a tool which measures the propensity of those living in a neighbourhood to suffer a loss of wellbeing should a flood occur, has shown that approximately 15% of West Yorkshire residents live within a neighbourhood with a rating of 'acute' or 'extremely high', compared to 8% of England's population falling into these groups. This would suggest that a considerably higher proportion of West Yorkshire residents have a

propensity to suffer loss of wellbeing due to a flooding event than the average for England as a whole.

- The schemes which have been identified as enhancing protection in areas with an 'extremely high' or 'relatively high' Flood Vulnerability Risk Rating (which indicates the propensity of those living in a neighbourhood to suffer a loss of wellbeing should a flood occur) are:
 - Bradford: Bradford Beck Flood Alleviation Study and Keighley and Stockbridge Flood Alleviation Scheme
 - Kirklees: Albert Street FAS
 - Leeds: Wyke Beck Improvement Phase 2
- This illustrates that the programme would benefit areas vulnerable to the impacts of flooding and subsequently helps to achieve the ambition of the region's emerging Inclusive Growth Policy Framework.

Equality and Diversity Implications

- 4.17 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

Risks

- 4.18 The scheme risks include:
- Funding and an inability to access the required level of investment. Mitigation to be explored as part of the programme development.
 - Competing or miss aligned priorities of key stakeholders. Mitigated by stakeholder management and engagement through the programme development and delivery phases.
 - Inflationary and cost increases. Mitigated by allowance for recent high inflation as additional contingency.
 - Weather conditions impacting on scheme delivery. Mitigated by close working with contractors and suppliers and planning around key construction periods.
 - Availability of labour. Mitigated by close interaction with the supply chain and labour market.
 - Availability of supply/material. Mitigated by early contractor involvement and award in delivery phase.
- 4.19 A Programme level Risk Register has been completed providing a summary of how these risks can be best mitigated, including the introduction or appropriate governance processes and detailed cost profiling and project planning with relevant contingencies considered.
- 4.20 The proposed mitigation measures will be explored and developed further as part of the individual business case development.

Costs

- 4.21 The total scheme costs are £249,000,000. This total has been developed by the Environment Agency (EA), based upon its extensive experience of delivering capital flooding schemes.
- 4.22 The level of further investment required is proposed at £58,412,582. It is proposed that the Combined Authority develops schemes to utilise £10,000,000 from its funding to engage and leverage funding from other funding sources.
- 4.23 The EA and partners have set out the following funding sources to cover the remaining scheme costs:
- Grant in Aid: The amount of GiA funding a project is eligible for is dependent on the benefits it will deliver (e.g. number of homes), and this is calculated using the Partnership Funding calculator.
 - Asset Replacement Allowance (ARA): This is calculated where there is a shortfall in funding to manage the replacement of economically viable flood risk infrastructure that that requires replacement in the near future.
 - Other Government Department (OGD) funding: This is calculated where a benefit to a government departments' asset (e.g. hospitals, schools, road and rail networks etc) is realised.
- Both ARA & OGD need to be cost beneficial (have a BCR>1)
- Local Levy: Allocation of Local Levy to projects is made by the Yorkshire Regional Flood and Coastal Committee at each of its quarterly meetings, following an application process. Once an allocation of Levy has been secured, the assurance process follows the same route and Financial Scheme of Delegation requirements as GiA.
- 4.24 Whilst funding is being secured, approval is now sought for development costs of £113,735 from the IP3 gainshare allocation. Recruitment of a project manager and programme manager at this early stage will expedite delivery of the programme.
- 4.25 It is likely that funding will be achieved in tranches and/or be mixed between the Authority, Environment Agency and local authority partners. This work will be refined as funding becomes available, including if part funding is only achieved.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
1 (strategic assessment)	Recommendation: Combined Authority's Strategic Assessment Prioritisation Group Decision: Combined Authority	02/02/2023

- 4.26 Work will now commence on the development of individual business cases within the programme, which will come through the assurance process for

approval by the Combined Authority. Timescales and assurance pathways and approval routes for the individual projects will be confirmed in individual project business cases.

Assurance Tolerances

Assurance tolerances
Assurance tolerances will be set at the next business case stage for each individual project.

Appraisal Summary

- 4.27 The scheme was submitted as a Strategic Assessment and was recommended for approval due to the strategic importance and benefits of the scheme. The proposal will provide greater protection from flooding to homes, businesses and key infrastructure. This will improve and protect connectivity to existing businesses and will increase developer and business confidence to ensure they invest, remain and grow in the Leeds area, supporting a resilient economy.

Recommendations

- 4.28 The Combined Authority approves that:
- (i) The Capital Flood Risk Management Programme proceeds through decision point 1 (strategic assessment) and work commences on the development of individual business cases.
 - (ii) Development costs of £113,735 are approved taking the total scheme approval to £113,735.
 - (iii) The principal that £10,000,000 of Combined Authority funding is utilised in order to engage and leverage funding from other funding sources and that work commences on the development of individual business cases, which will seek approval through the Assurance Framework.
 - (iv) Approval of individual business cases through the Assurance Framework is delegated to the Place, Regeneration Housing Committee.
 - (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests for the Capital Flood Risk Management Programme are delegated to the Place, Regeneration and Housing Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	Leeds Flood Alleviation Scheme 2
Stage	1 (assessment and sequencing) and 2 (scheme development)
Decision Point	1, 2, 3 and 4 (business justification)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.29 This scheme will be funded from the Government's Department for Business, Energy, and Industrial Strategy (BEIS) Capital Investment Fund.
- 4.30 Leeds Flood Alleviation Scheme Phase 2 is a major project which will reduce flood risk to residential and commercial properties and other infrastructure along the River Aire in Leeds and enable development of a number of brownfield sites. Phase 1 of the Leeds Flood Alleviation Scheme commenced in 2016 following the 2015 Boxing Day floods and were opened for use in October 2017.
- 4.31 Flood defences are typically measured by the standard of protection (SoP), which relates to the level of risk that a location will experience a flood. For example a 1 in 100 (1%) chance of flooding in any one year, or a 1 in 200 (0.5%) chance, and so on. Whilst the probability of flooding may seem quite low in any one year, it is widely acknowledged that the effects of such floods have proven to be devastating where the required level of flood protection has not been in place.
- 4.32 This scheme (Phase 2) is being delivered in two steps:
- Step 1: to provide a protection against a 1 in 100 (1%) year level flood event through the construction of raised defences and natural flood management.
 - Step 2: to uplift step 1 to a 1 in 200 (0.5%) level flood event through the construction of an upstream storage area.
- 4.33 Step 1, partially funded through the Local Growth Fund, has been completed and is operational. Step 2 is currently under construction. However, due to significant inflation impacts, primarily resulting from several unpredictable

world events, the actual costs have increased and there is now a funding gap impacting delivery. The scheme has a total of £113,261,000 secured funding to deliver the scheme but costs have now increased to £125,826,000, meaning there is a funding gap of £12,565,000. A bid was submitted to BEIS for the Government's Department for Business, Energy, and Industrial Strategy (BEIS) Capital Investment Fund to fund this gap and complete delivery and was approved on 12 January 2023, subject to assurances on a two outstanding questions.

- 4.34 The principal aim of the scheme is to protect homes and businesses along the River Aire from the economic and social damage that can be caused by a significant flood event. In addition, an enhanced riverside environment, including a riverside pathway for cycle and pedestrian use is to be provided to encourage active lifestyles and provide health benefits from walking and cycling.
- 4.35 A summary of the scheme's business case and location map is included in **Appendix 2**.

Tackling the Climate Emergency Implications

- 4.36 The scheme aims to tackle the climate emergency by ensuring the city is more resilient to flooding, which is expected to become more prevalent: The implications include:
- A reduced risk of flooding (and associated costs)
 - Introduction of new and improved high quality green infrastructure which can encourage use of more sustainable modes of transport.
 - Use of more sustainable construction techniques and carbon neutral materials where possible
- 4.37 A detailed bespoke carbon assessment of the impacts of flooding in Leeds has been undertaken (that did not use the Combined Authority's Carbon Impact Assessment toolkit) that has shown that a net carbon saving of 6,540 tCO₂e would result from provision of the full scheme (i.e. Steps 1 and 2). when protecting the city from a single flood event (equivalent to that experienced in 2015 resulting from Storm Eva).

However, please note that this is based on the carbon impacts of remedial and clean-up measures in the event of a flood. It has been calculated that the carbon involved in constructing the flood prevention infrastructure is less than the carbon that would be generated to repair the damage caused by a flood event. In addition, as part of the scheme delivery, changes to material types, use of existing sections of wall and sourcing materials locally reduced the level of carbon involved in the construction, when considered against initial baseline calculations. Tree planting, also forms part of the overall scheme, in a ratio of three trees to be planted for each 1 lost as part of scheme delivery.

Outputs and Benefits

- 4.38 The total scheme outputs and benefits for Phase 2 include:

- 7.5km of new flood defence walls and embankments
- Three new pumping stations
- Seven new flow control structures
- A large flood storage area near Calverley, making use of an existing flood plain
- Delivery of a natural flood management programme and removal of obstructions along the river
- Reduction in flood risk area by 9.3 hectares,
- Protection of 1,048 residential dwellings from the risk of flooding.
- Protection of 474 businesses from the risk of flooding (and safeguarding of 3,605 jobs)
- Protection of brownfield development land for housing (1,613 new dwellings).
- Protection for key infrastructure including 4 telecommunications masts and switch exchanges, 13 electricity sub-stations.
- Protection of key transport infrastructure including Airedale and Wharfedale rail lines and the A65 and Whitehall Road.

4.39 A summary of how the benefits change between delivery of Steps 1 and Steps 2 is set out below.

Step 1: 1 in 100	Step 2: 1 in 200	Change
Catchment wide Natural Flood Management (NFM) programme & flood wall optimisation	Catchment wide NFM programme & flood wall optimisation + upstream storage / attenuation	Upstream storage & attenuation – offering greater protection
1,509 Net jobs £44.2m Net Gross Value Added (GVA) per year £669.8m GVA Net Present Value (NPV) (over 10 years)	1,669 Net jobs £88.2m Net GVA per year £774.4m GVA NPV (over 10 years)	160 jobs £44m Net GVA per year £104.6m GVA NPV (over 10 years) Uplift to LFAS1 benefits £14.4m
971 existing dwellings protected 1,563 new dwellings enabled 117 business would be protected from risk of flooding BCR including GVA 10.1	1,048 existing dwellings protected 1,613 new dwellings enabled 474 businesses would be protected from risk of flooding BCR including GVA 8.9	77 more existing dwellings protected 50 additional dwellings enabled 357 more businesses protected BCR reduction of 1.2
Net present value £50m	Net present value £52.6m	Net Present Value increase of 2.6m

- 4.40 The table above illustrates that whilst the benefit cost ratio (BCR) does reduce slightly when Step 2 is added to Step 1, the scheme remains very high value for money. Additionally, there is a net increase in the number of jobs, gross value added (GVA) and net present value (NPV) as well as providing protection to a larger area and greater number of homes and businesses.

Inclusive Growth Implications

- 4.41 The scheme's inclusive growth implications include enhanced accessibility to riverside foot and cycle paths, and improvement to the landscaping & natural environment.
- 4.42 The scheme will reduce the impact of flooding which can affect households' health and can restrict or remove access to jobs, education and other social value opportunities which can affect social inclusion. Improved protection from flooding can also reduce pressures related to income and financial wellbeing such as increased insurance premiums, financial and emotional costs from damage and loss of possessions.
- 4.43 The scheme will help maintain a more resilient transport network to ensure continued access to jobs, services, and education opportunities in the vicinity of the scheme and in Leeds city centre, by public transport, walking and cycling. This will improve opportunities for people who do not have access to a private car, particularly those on lower incomes.

Equality and Diversity Implications

- 4.44 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.
- 4.45 The EQIA illustrated that the area in the vicinity of the scheme has higher than average levels of deprivation (as recorded by the Governments Indices of Multiple Deprivation) with 71% of the population living in areas categorised as the most deprived, which is significantly higher than the 47% average for Leeds. Likewise, there is a relatively high proportion of people who identify with a 'minority faith' (50% of the population are from a minority faith background compared to the 37% average for Leeds, and 9% average for England). As such, flooding in this area could have a disproportionate impact on these groups and the scheme will seek to prevent this from occurring.
- 4.46 The EQIA also highlights potential impacts that the construction of the scheme could have on air quality and noise levels which may exacerbate pre-existing long-term conditions for some individuals in the community, as well as having potential harmful effects on children and older people. In addition, it was also identified that the height of the linear defence walls at certain locations, such as Viaduct Road, may disproportionately impact groups such as women, those from diverse heritage groups and younger people, who are more likely to express personal security concerns from the loss of visibility.
- 4.47 Overall, it is considered likely that the scheme will have a net positive impact on the groups with protected characteristics due to the level of protection provided against floods.

Risks

4.48 The scheme risks include:

- Weather and high river levels for less than 1 in 10 year event affecting delivery – this is to be mitigated by building in time for winter working in the programme.
- Discovery of uncharted services, such as underground water pipes – adding cost for diversion or protection. To be mitigated by engagement with utilities companies alongside surveys using ground penetrating radar (GPR) imaging.
- Lack of suitably skilled people to carry out works.. This is to be mitigated by widening the labour catchment to cover other regions.
- Unexpected events leading to scope changes. This will be mitigated by having robust change control processes to restrict change to essential unavoidable items.
- Network rail interfaces and assets requiring approvals adding delay to the programme. To be mitigated by regular meetings with Network Rail and ongoing tracker of approvals and progress
- Compensation required to landowners for land acquisition and disruptive effect of works – Budget included to make provision for reasonable levels of compensation.
- Inflationary impacts escalating costs. This is being mitigated by sourcing funding from elsewhere to complete delivery.

Costs

4.49 The scheme has a total of £113,261,000 secured funding to deliver the scheme. However, due to significant inflation impacts, primarily resulting from several unpredictable world events, the actual costs have now increased to £125,826,000, meaning there is a funding gap of £12,565,000. A bid was submitted to BEIS for the Government's Department for Business, Energy, and Industrial Strategy (BEIS) Capital Investment Fund to fund this gap and complete delivery and was approved on 12 January 2023, subject to assurances on a two outstanding questions.

4.50 The scheme costs are now £125,826,000 for Phase 2 (Steps 1 and 2).

4.51 The Combined Authority's contribution is £12,565,000 from the Government's Department for Business, Energy, and Industrial Strategy (BEIS) Capital Investment Fund.

4.52 The remaining funding has previously been secured from a wide range of organisations and funding bodies including Network Rail and various government departments including DEFRA and the Environment Agency.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
1, 2, 3 and 4 (business justification)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	02/02/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	31/12/2023

Other Key Timescales

4.53 Key timescales include:

- December 2020 –Scheme started to be delivered on site.
- December 2023 – completion of the scheme.

Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within those outlined in this report Delivery (DP5) timescales remain within 3 months of those outlined in this report. Outputs remain within -10% of those outlined in this report

Appraisal Summary

4.54 The scheme aims to support inclusivity, help tackle the climate emergency, and build resilience to extreme weather events through delivery of a package of measures that provide improved protection against flooding of the River Aire in Leeds.

4.55 The submitted business case highlights the ability for the scheme to provide very high value for money as well as significant carbon savings as a result of the protection afforded by the scheme. The scheme will protect existing businesses, homes and key infrastructure, from flooding, which will ensure the economy remains resilient. It will also protect development land from flooding which will encourage businesses to continue to grow and invest in the area boosting productivity and ensuring accessibility to key transport routes.

4.56 The scheme is already in delivery and the remaining funding will safeguard its completion and facilitate the realisation of the outputs and benefits expected by the scheme.

5 Recommendations

5.1 The Combined Authority approves:

- (i) The Leeds Flood Alleviation Scheme (Step 2) scheme proceeds through Decision Point 1 to 4 (business justification) and work continues on activity 5 (delivery), subject to assurances on a two outstanding questions from Government's Department for Business, Energy, and Industrial Strategy (BEIS).
- (ii) Approval to the Combined Authority's contribution of £12,565,000 is given. The total scheme cost is £125,826,000.
- (iii) The Combined Authority enters into a funding agreement with Leeds City Council for expenditure of up to £12,565,000.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within tolerances outlined in this report.

Projects in Stage 2: Scheme development

5.2 There are no schemes to review at this stage.

Projects in Stage 3: Delivery and Evaluation

5.3 There are no schemes to review at this stage.

6 Tackling the Climate Emergency implications

6.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

7 Inclusive Growth implications

7.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

8 Equality and Diversity implications

8.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

9 Financial implications

9.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

10 Legal implications

10.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

11 Staffing implications

- 11.1 A combination of Combined Authority and local partner council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

12 External consultees

- 12.1 Where applicable scheme promoters have been consulted on the content of this report.

13 Recommendations (Summary)

Capital Flood Risk Management Programme

- 13.1 The Combined Authority approves that:

- (i) The Capital Flood Risk Management Programme proceeds through decision point 1 (strategic assessment) and work commences on the development of individual business cases.
- (ii) Development costs of £113,735 are approved taking the total scheme approval to £113,735.
- (iii) The principal that £10,000,000 of Combined Authority funding is utilised in order to engage and leverage funding from other funding sources and that work commences on the development of individual business cases, which will seek approval through the Assurance Framework.
- (iv) Approval of individual business cases through the Assurance Framework is delegated to the Place, Regeneration Housing Committee.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests for the Capital Flood Risk Management Programme are delegated to the Place, Regeneration and Housing Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

Leeds Flood Alleviation Scheme 2

- 13.2 The Combined Authority approves that:

- (i) The Leeds Flood Alleviation Scheme (Step 2) scheme proceeds through Decision Point 1 to 4 (business justification) and work continues on activity 5 (delivery), subject to assurances on a two outstanding questions from Government's Department for Business, Energy, and Industrial Strategy (BEIS).
- (ii) Approval to the Combined Authority's contribution of £12,565,000 is given. The total scheme cost is £125,826,000.
- (iii) The Combined Authority enters into a funding agreement with Leeds City Council for expenditure of up to £12,565,000.

- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within tolerances outlined in this report.

Additional approval - Brownfield Housing Programme delegation for pipeline of schemes

13.3 The Combined Authority approves that:

- (i) The existing delegation, as approved by the Combined Authority in July 2021, to the then Director of Delivery to make changes to the pipeline of schemes in the Brownfield Housing Programme, transfers to the Director of Policing, Environment and Place.

BHF Armley Tower Works

13.4 The Combined Authority approves that, subject to the conditions set by the Programme Appraisal Team:

- (i) The BHF Armley Tower Works scheme proceeds through decision point 2-4 (business justification) and work commences on activity 5 (delivery).
- (ii) Approval to the Combined Authority's contribution of £932,775 is given. The estimated total scheme cost is £9,909,032.
- (iii) The Combined Authority enters into a funding agreement with Yorkshire Housing Ltd for expenditure of up to £932,775.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in the original report. This will be subject to the scheme remaining within the tolerances outlined in the original report.

BHF Galem House

13.5 The Combined Authority approves that, subject to the conditions set by the Programme Appraisal Team:

- (i) The BHF Galem House scheme proceeds through decision point 4 (full business case) and work commences on activity 5 (delivery)
- (ii) Approval to the Combined Authority's contribution of £1,200,000 is given. The total scheme cost is £9,752,717.
- (iii) The Combined Authority enters into a funding agreement with Trident House Development Limited for expenditure of up to £1,200,000.
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in the original report. This will be subject to the scheme remaining within the tolerances outlined in this report.

14 Background Documents

14.1 None as part of this report.

15 Appendices

Appendix 1 - Background to the Combined Authority's Assurance Framework

Appendix 2 – Leeds Flood Alleviation Scheme 2 – Business Case Summary



Project Approvals

Appendix 1 - Assurance Framework

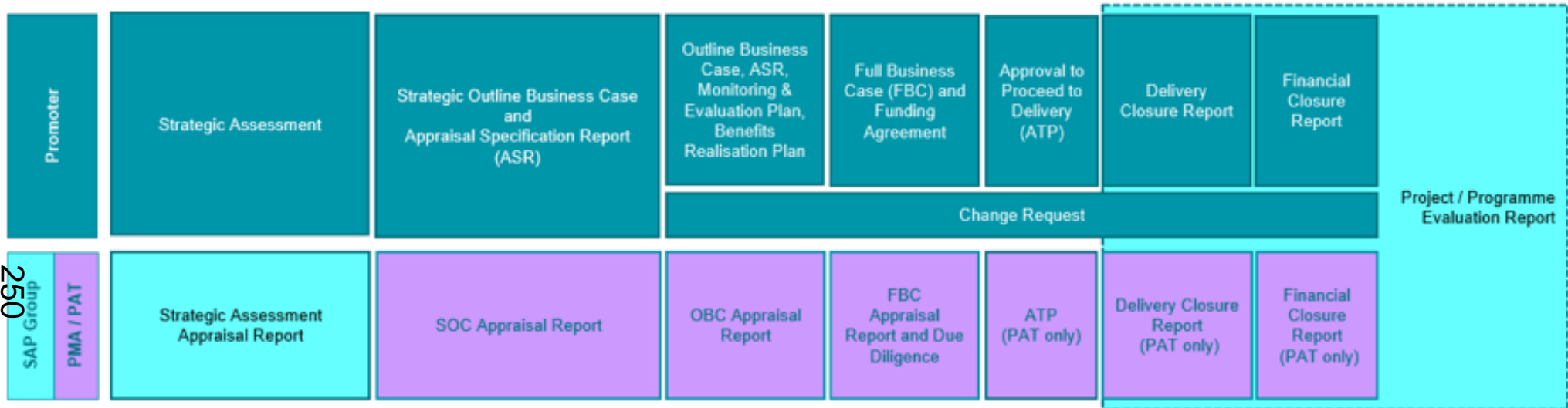
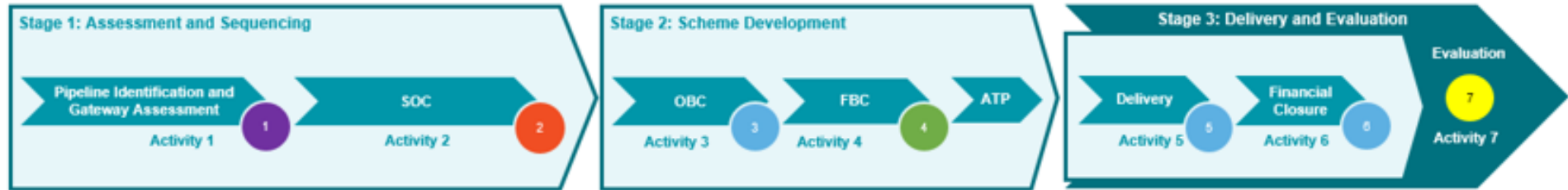
1 Assurance Framework

- 1.1 The Combined Authority's Assurance Framework was developed in 2015 as part of the Growth Deal with Government. Its purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the Strategic Economic Framework (SEF) ambitions and the West Yorkshire Investment Strategy (WYIS).
- 1.2 The Framework's focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the Leeds Enterprise Partnership (LEP) and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded from Government or local sources that flow through the LEP and Combined Authority and must be reviewed annually, as stipulated by Government.

Assurance Process

- 1.3 The process is flexible, in that each project or programme will be set a bespoke approval pathway and approval route to be followed. This may be to delegate decisions to a Committee, Managing Director (MD) etc. or it may be that certain decision point (activity) approvals are not required, or that bid documents to other government departments can be utilised. Furthermore, development costs can be funded at decision point 1 and beyond.
- 1.4 Approval is required at Combined Authority (CA) for all programmes and projects at least once in their lifetime and this is usually at decision point 2 (Strategic Outline Case). The Assurance Pathway and Approval Route is also set at this point.
- 1.5 At FBC (Decision Point 4), the Programme Appraisal Team (PAT) sets conditions that must be met before full approval of funding is given and the project has Approval to Proceed to Delivery (Activity 5).
- 1.6 In line with the revised Green Book, in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of the project. This might for example include, but not limited to, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use and / or supporting / accelerating housing development. The specific approach will be determined on a programme by programme basis as funding and investment streams come forward.
- 1.7 The Assurance Process is set out below:

Assurance Process



KEY: ● Key Decision Point (CA Approval Required) ● Key Decision Point (Committee Approval may be required) ● Decision Point (Committee Approval may be required) ● Decision Point ● Reporting Point

Stage 1: Assessment and Sequencing

- 1.8 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the West Yorkshire Investment Strategy (WYIS). Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (Decision Point 1).
- 1.9 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

Stage 2: Scheme Development

- 1.10 If approved the scheme will progress to OBC unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The economic case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (decision point 3) as set out in the approval pathway and route approved at decision point 2.
- 1.11 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.
- 1.12 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an

officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

- 1.13 A Single Stage Business Case, called Business Justification, has now been introduced for transport and non-transport projects that are either below £2,000,000, low complexity, low risk and / or not novel or contentious. Although this is a single stage approval, replacing decision point 2 (SOC), decision point 3 (OBC) and decision point 4 (FBC), the remainder of the assurance process must still be followed.

Stage 3: Delivery and Evaluation

- 1.14 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 1.15 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (decision point 5) as set out in the approval pathway and route approved at decision point 2.
- 1.16 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (decision point 6) as set out in the approval pathway and route approved at decision point 2.
- 1.17 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 1.18 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

2 Future assurance and approval route

- 2.1 The tables for each scheme in the main report outline the proposed assurance process and corresponding approval route for the scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route

indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

3 Tolerances

- 3.1 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to a Committee and/or the Combined Authority for further consideration.

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Project Overview

Project Title	Leeds Flood Alleviation Scheme - Step 2
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Main Funding Programme	BEIS Capital Investment Fund	
Current Forecast Project cost	£125,826,000	
Funding Applied for from the Combined Authority now	£12,565,000	
Other public sector funding amounts and sources	Source	Amount
	FCERM GIA	£7,783,000
	Defra Booster GIA	£60,217,000
	Economic Recovery GIA	£21,000,000
	Leeds City Council	£9,967,000
	Community Infrastructure Levy	£5,700,000
	West Yorkshire Combined Authority (Step 1)	£3,900,000
	European Structural and Investment Funds	£2,204,000
	Network Rail	£1,400,000
	Department for Education	£250,000
	Local Levy	£500,000
	Other Government Department	£500,000
	Total of match funding	£113,261,000

Scheme Description

This scheme will reduce flood risk to residential and commercial property, and infrastructure along the River Aire in Leeds. Measures include new flood walls, improvements to flood water drainage, and a new flood plain at Calverley. In addition there will be improvements to Kirkstall Valley Nature reserve, including better access and a new riverside pathway for cycling and walking. This scheme will provide protection against a one in 200-year flood event for the upstream section of the river between Leeds Railway Station and Newlay, beyond Kirkstall Road to the west of the city.

Business Case Summary

Strategic Case

Severe economic and social impacts were caused by the River Aire floods Leeds in 2015 including:

- Financial and emotional costs of lost possessions
- Disruption to medical services and social care provision
- Short-term health impacts (such as respiratory illnesses) and long-term health impacts (such as anxiety, and PTSD)
- Limited access to schools, libraries and community centres.
- High insurance costs
- Costs associated with temporary relocation
- Limited access to public transportation

This scheme will reduce the risks, impacts and costs of flooding by protecting land used for employment, as well as improving and protecting access to businesses, homes and key infrastructure. This will boost the area's resilience to climate change and will benefit residents and businesses in these vulnerable areas. It will also increase developer and business confidence to ensure they invest and grow in the Leeds area.

The Equality Impact Assessment (EqIA) shows the area that will benefit the most from this work has higher than average levels of deprivation, with 71% of the population living within the two most deprived categories. As such, flooding in this area could have a disproportionately negative impact on these groups and the scheme will contribute to protection for this.

The economic resilience that the scheme provides is in accordance with various policies and strategies set at national, regional and local levels.

The full scheme is expected to deliver net carbon benefits as a result of the increased flood protection when compared to the carbon costs involved in the repair works following a severe flooding event equivalent to that experienced in 2015.

Economic Case

The key benefits include the protection of businesses, jobs, homes and development land as well as ensuring key infrastructure remains operational – this includes transport, electricity, communications and data connectivity.

Commercial Case

Step 2 of the scheme is currently in delivery and around 80% complete. Leeds City Council is currently in contract for the necessary works and funding agreements are in place with the existing funding contributors.

It is considered that stopping or pausing delivery of this scheme is not viable, as this would reduce the benefits, increase costs and reduce the overall value for money of the scheme. Halting delivery could also lead to contractual issues which could further increase costs. Leeds City Council is not in a position to contribute further funding without harming essential council services, for which it is experiencing increased demand, in particular for services helping vulnerable adults and children.

Financial Case

The full scheme (Steps 1 and 2) has secured funding totalling £113,261,000 to deliver the scheme. However, the scheme's delivery cost has increased to £125,826,000 due to high inflation rates, leaving a funding gap of £12,565,000.

Step 1 was partially funded through the Local Growth Fund and is now complete and operational. Step 2 is currently under construction.

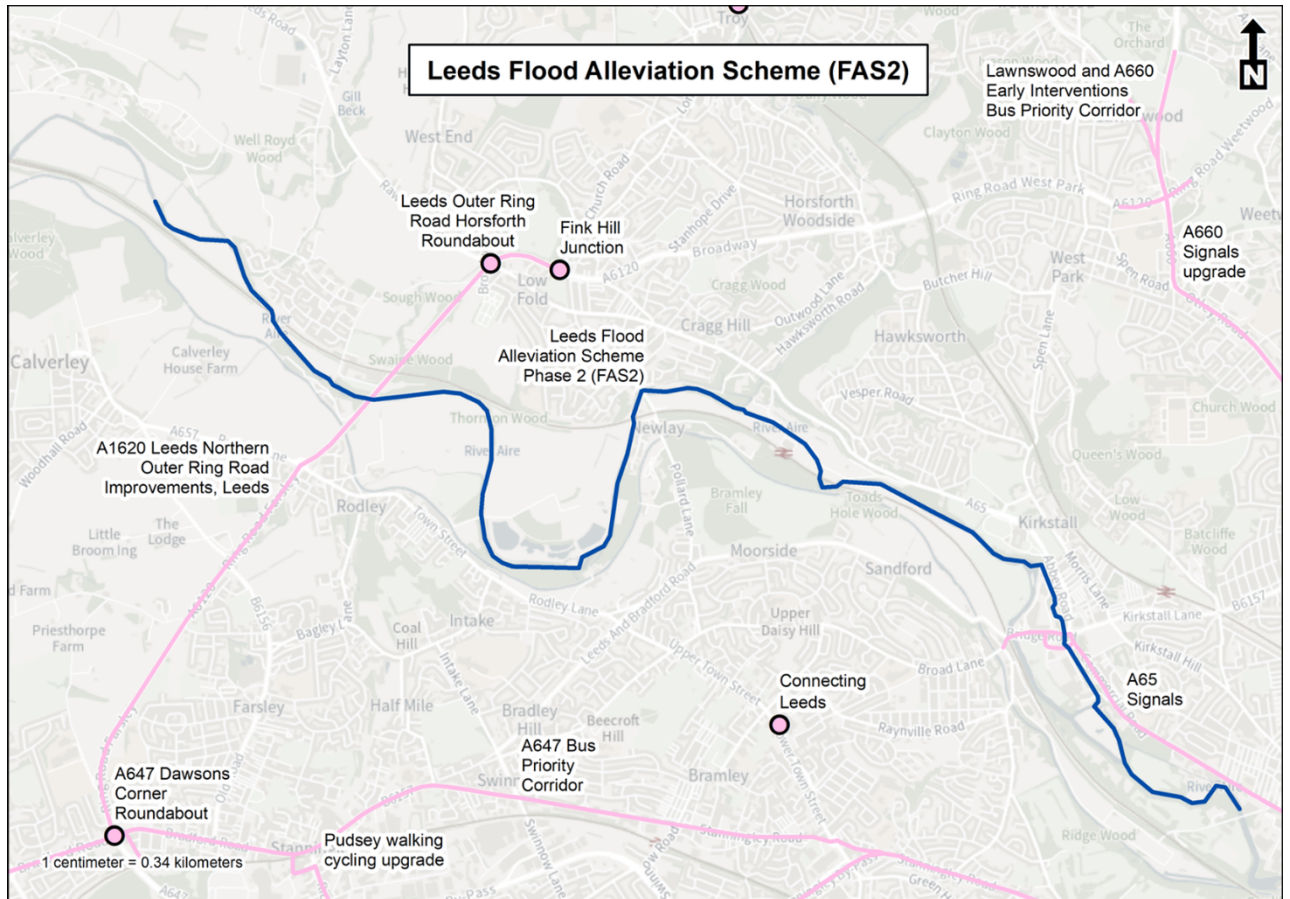
The full amount of the funding shortfall has been sought via a bid to the Department for Business, Energy and Industrial Strategy (BEIS), to be spent in the 2022/23 financial year. This funding request is capital only and does not include any loans, retrospective funds or resource costs.

Management Case

This scheme is being managed by Leeds City Council and has an effective internal governance structure in place. These additional funds will continue to be managed within it.

Location Map

The following map shows the location of the Leeds Flood Alleviation Scheme Step 2 scheme:



Please note, depending on the level of scheme development, the location and scope of the schemes indicated here are indicative only.

For further information on Combined Authority schemes across the Leeds City Region, please refer to: <https://www.westyorks-ca.gov.uk/growing-the-economy/leeds-city-region-infrastructure-map/>

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Report to: West Yorkshire Combined Authority

Date: 2 February 2023

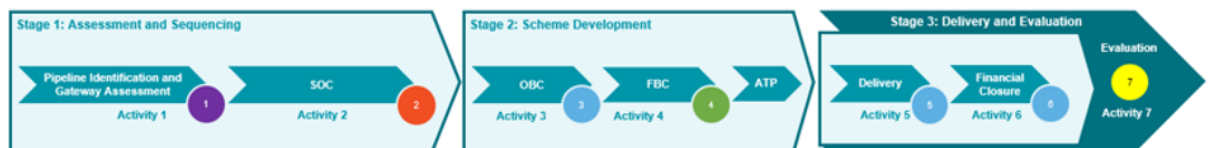
Subject: Project Approvals - Investment Priority 5 – Future Transport

Director: Dave Haskins, Director of Transport Policy & Delivery

Author: Craig Taylor, Head of Portfolio Management and Appraisal

1 Purpose of this report

- 1.1 To report on proposals for the progression of, and funding for projects under Investment Priority 5 – Future Transport, within the West Yorkshire Investment Strategy (WYIS), that have been considered at stages 1, 2 and 3 of the Combined Authority’s assurance process.



- 1.2 The recommendations can be found in Section xx of this report.

2 Report

- 2.1 This report presents proposals for the progression of schemes through the Combined Authority’s assurance process in line with the Combined Authority’s Assurance Framework. Further details on the schemes summarised below can be found as part of this report.
- 2.2 For more detail on the Combined Authority’s Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.

3 Investment Priority 5 (IP5) - Future Transport

- 3.1 The West Yorkshire Investment Strategy (WYIS) sets out the Investment Priorities for the period 1 April 2021 to 31 March 2024 across six areas. In each, a number of priority project / programme areas have been identified that are the focus for intervention.

3.2 Investment Priority 5 will deliver a range of programmes and schemes which focus on:

- Creating an affordable, simple, integrated, and accessible system for people to travel anywhere by public transport.
- Increasing passenger numbers on bus, rail, and future transport networks.
- Improving air quality and reduction in car dominance.
- Ensuring that people are enabled to make sustainable travel choices from housing and employment sites.
- Transforming access for communities of persistent poverty, where households have prolonged experiences of poverty, to employment opportunities and skills centres.
- Enhancements in ticketing and travel information.
- Buses being an effective and affordable mode of transport.
- Enhancing customer satisfaction with public transport.

Scheme summaries

<p>Transformational – North East Calderdale Calderdale</p>	<p><u>Scheme description</u></p> <p>This scheme aims to improve transport provision within North East Calderdale, using a strategy and evidenced led approach to understand the challenges in the area. Works will focus on the north east of Calderdale, covering Hipperholme, Northowram and Shelf.</p> <p>The scheme was originally part of the West Yorkshire plus Transport Fund (WY+TF) which developed a strategic outline case (SOC). Further development is now included in the City Region Sustainable Transport Settlement (CRSTS) programme.</p> <p>The CRSTS funding will be used to fund:</p> <ul style="list-style-type: none"> • Development and production of the Outline Business Case to support the ambitions of the larger, future capital improvements project across the North East Calderdale region. • Phased delivery of a small package of bus priority measures, to be delivered while the overall scheme is being developed. The specifics of this package will be assured separately to the overall scheme so that it is not delayed <p><u>Impact</u></p> <p>The outputs and benefits from the initial funding of £4,300,000 include 1.8km of bus lanes, 2 bus gates, 1 bus stop improvement, an OBC to support the larger, future scheme of interventions and improved bus journey times and reliability at a location determined during development.</p> <p>Outputs and benefits of the future larger scheme that is being developed with this tranche of funding will include an area wide urban traffic management control system (UTMC), the introduction of low traffic neighbourhoods, 20mph zones in residential areas, new continuous footway crossings on side roads, junction improvements, improvements to bus infrastructure including such as bus gates and bus stop improvements, reductions to journey time to be achieved by reduced congestion, improved bus reliability and travel time leading to greater use of public transport and reductions in car usage, improved cycling and walking provision enabling more people to choose more active forms of travel and improvements in road safety and a reduction in serious casualties.</p> <p>Because the scheme is still at an early stage of development, it is not possible to provide an accurate benefit cost ratio (BCR) until outline business case.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (SOC) and work commences on activity 3 (OBC).</p> <p>Total value of the scheme - £78,400,000 to £88,100,000.</p> <p>Total value of Combined Authority funding - £4,300,000.</p> <p>Funding recommendation sought - £1,560,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>CRSTS Asset Management and Enhancement Programme and Off Highway Walking and Cycling Network</p> <p>Wakefield, Bradford, Calderdale, Kirklees and Leeds</p>	<p><u>Scheme description</u></p> <p>These schemes will enable and promote improved access to walking and cycling across West Yorkshire. To achieve this the Asset Management and Enhancement programme will provide core funding to carry out the maintenance required to ensure that our highways are safe and secure. The Off Highway Walking and Cycling network schemes will compliment this by working to improve public rights of way across the region.</p> <p>The scheme is to be delivered through the City Region Sustainable Transport Settlement (CRSTS) Fund.</p> <p><u>Impact</u></p> <p>These schemes will reduce carbon emissions through the promotion of walking, cycling and bus use improvements by maintaining and improving prioritisation at junctions. The programme will also improve accessibility for all through incremental improvements such as installation of drop kerbs on pavement renewals and it will contribute to inclusive growth through the emphasis on schemes near areas with high levels of deprivation.</p> <p>There is currently no specific benefit cost ratio for this programme, but the appraisal specification report due before the year two strategic outline case update will offer more detail on how economic gains will be measured as part of its monitoring and evaluation.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 and 4 (strategic and continue work on activity 5 (delivery) for the 2022/23 financial year and quarter 1 of 2023/24.</p> <p>Total value of the scheme - £248,000,000 for CRSTS Asset Management and £3,440,000 for Off Highway Walking and Cycling network.</p> <p>Total value of Combined Authority funding - £248,000,000 for CRSTS Asset Management and £3,440,000 for Off Highway Walking and Cycling network.</p> <p>Funding recommendation sought:</p> <ul style="list-style-type: none"> • £24,800,000 of development and delivery costs for quarter 3 and quarter 4 of 2022/3 for CRSTS Asset Management Programme (year 1) plus £12,400,000 for quarter 1 of 2023/24 (year 2). • £344,000 of development and delivery costs for quarter 3 and quarter 4 of 2022/23 for the Off Highway Walking and Cycling network programme plus £172,000 for quarter 1 of 2023/24 (year 2). <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>CRSTS Network Management Renewals and Enhancements</p> <p>Location</p>	<p><u>Scheme description</u></p> <p>This scheme will address the problems of delays and disruption to traffic by renewing and replacing the outdated and insufficient infrastructure that controls traffic, such as traffic signals and related technology. By improving the supporting control and communications infrastructure this scheme will address cause delay and disruption in journey times and present a barrier to pedestrians, cyclists. Improvements delivered through the package will include:</p> <ul style="list-style-type: none"> • Traffic signals and control equipment renewal across West Yorkshire • Enhancement of traffic signals, communications and technology beyond basic renewal, to introduce more bus/cycle detection and improve signalled pedestrian crossing facilities. • Incorporation of ground-breaking artificial intelligence and control techniques to enhance pedestrian, cyclist and bus user experience in particular. <p>The scheme is to be delivered through the City Region Sustainable Transport Settlements (CRSTS) fund.</p> <p><u>Impact</u></p> <p>The scheme will deliver a resilient network of traffic control for the region. The benefits if this include the promotion of more sustainable forms of transport, reduced traffic disruption. By reducing congestion communities will benefit from improved journey time, reliability of public transport and improvements in air quality,</p> <p>The value for money assessment reflects an indicative benefit cost ratio (BCR) of 1:2 to 1:4. This is categorised as high value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (strategic outline case) and work commences on activity 5 (delivery).</p> <p>Total value of the scheme - £25,000,000</p> <p>Total value of Combined Authority funding - £25,000,000</p> <p>Funding recommendation sought: £1,862,500 of development and delivery costs for quarter 3 and quarter 4 of 2022/3 (year 1) plus £931,250 for quarter 1 of 2023/24 (year 2).</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>CRSTS Safer Roads</p> <p>Location</p>	<p><u>Scheme description</u></p> <p>The Safer Roads programme will deliver a wide range of road safety measures. These will include traffic calming interventions, pedestrian and cycle facilities, speed limit reductions and parking management to improve road safety at targeted locations across the five districts within West Yorkshire.</p> <p>The scheme is funded by the City Region Sustainable Transport Settlement (CRSTS) Fund.</p> <p><u>Impact</u></p> <p>The value for money assessment reflects a likely benefit cost ratio (BCR) of over 4. This is categorised as Very High value for money.</p> <p>The five-year programme seeks to reduce the number of road collisions that are categorised as Killed and Serious Injuries (KSIs), along with road risks that impact productivity, social, public and business costs. The programme also looks to boost accessibility and inclusivity by addressing barriers to use of the transport network. In particular perceptions of safety will be addressed to encourage a shift from travelling by private car to walking, cycling and public transport. This will also contribute to the decarbonisation of the transport network.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (strategic outline case) and decision point 4 (full business case) and work begins on activity 5 (delivery).</p> <p>Total value of the scheme - £25,000,000</p> <p>Total value of Combined Authority funding - £25,000,000</p> <p>Funding recommendation sought – £2,500,000 of development and delivery costs for quarter 3 and quarter 4 of 2022/3 (year 1) plus £1,250,000 for quarter 1 of 2023/24 (year 2).</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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<p>Leeds City Centre – City Square Plus – Thirsk Row</p> <p>Location</p>	<p><u>Scheme description</u></p> <p>This scheme is part of the Leeds City Centre Plus Package programme of work. This package of schemes will improve the way we travel through Leeds city centre.</p> <p>The Thirsk Row part of the City Centre Plus works will convert this one-way street in Leeds city centre to two-way traffic, improving the routes available to buses. This change request will further enhance this part of the city centre through improvements to provision for pedestrians and cyclists.</p> <p>This part of the scheme is being funded by the City Region Sustainable Transport Settlement (CRSTS) programme.</p> <p><u>Impact</u></p> <p>The scheme will contribute to improvements in bus journey reliability alongside complementary changes to bus operations and movements being implemented at King Street and East Parade as part of the City Square Plus delivery programme.</p> <p>The Thirsk Row scheme will also enable some areas of wider footway and an extension of the existing two-way cycle track on Wellington Street, helping to plug a gap in the city’s cycle routes that currently leaves westbound cyclists without an effective cycle route.</p> <p>The value for money (VfM) assessment was calculated as part of the City Square Plus business case. The overall City Square Plus scheme reflected a Benefit Cost Ratio (BCR) of -1.56:1, placing the scheme in the Very Poor VfM category when assessed against the Department for Transport’s VfM criteria. The City Square Plus scheme is however largely focused on improving public spaces and demonstrates good benefits for pedestrians, cyclists, and public transport users. The primary reason for the Very Poor VfM is the aggregation of changes in general traffic journey times as a result of trips through City Square being re-routed using the motorway and inner ring road away from the city centre.</p> <p><u>Decision sought</u></p> <p>The change request to approve £939,000 from the CRSTS Fund to progress the Thirsk Row scheme to Activity 5 (delivery), and to extend the delivery timescale to July 2023, is approved.</p> <p>Total value of the Thirsk Row scheme - £1,500,000</p> <p>Total value of the City Square Plus scheme - £12,174,000</p> <p>Total value of Combined Authority funding - £12,024,000</p> <p>Funding recommendation sought - £939,000</p> <p>A decision by the Combined Authority is sought as part of this report</p>
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- 3.3 Since the Combined Authority’s meeting on 8 December 2022 the following decision points and change requests have been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Transport Committee at its meeting on 14 December 2022. The decisions were made by the Transport Committee following a recommendation from Combined Authority Programme Appraisal Team.

3.4 The full agenda and papers for the meeting can be found on the Combined Authority website [HERE](#)..

Transforming Cities Fund: West Bradford Cycle Superhighway Extension (phase 1)	<p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Funding approved: £2,618,000</p> <p>Total indicative value of the scheme: £9,191,635</p> <p>Total indicative value of Combined Authority funding: £9,191,635</p>
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3.5 Since the Combined Authority’s meeting on 8 December 2022, the following schemes have been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Combined Authority’s Chief Executive.

Corridor Improvement Programme A6177 Great Horton Road – Horton Grange Road Bradford	<p>Approval to the change request to increase the indicative approval for the scheme by £1,800,000 to £6,257,000</p> <p>Funding approved: £1,800,000</p> <p>Total indicative value of the scheme: £6,257,000</p> <p>Total indicative value of Combined Authority funding: £6,257,000</p>
Corridor Improvement Programme A6177 Thornton Road / Toller Lane Bradford	<p>Approval to the change request to reduce the indicative approval for the scheme by £1,800,000 to £10,210,000</p> <p>Funding approved: £-1,800,000</p> <p>Total indicative value of the scheme: £12,010,000</p> <p>Total indicative value of Combined Authority funding: £10,210,000</p>

3.6 Since the Combined Authority’s meeting on 8 December 2022, the following schemes have been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Combined Authority’s Chief Operating Officer.

4 Information

- 4.1 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:
- The progression of a scheme through a decision point to the next activity.
 - Indicative or full approval to the total value of the scheme funding requested.
 - The Combined Authority's entry into a funding agreement with the scheme's promoter.
 - The assurance pathway and approval route for future decision points.
 - The scheme's approval tolerances.
- 4.2 This report provides information required to enable the Combined Authority to approve each of the above elements.

Projects in Stage 1: Assessment and Sequencing

Project Title	Transformational – North East Calderdale
Stage	1 (assessment and sequencing)
Decision Point	2 (strategic outline case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.3 This scheme will be funded from City Region Sustainable Transport Settlements (CRSTS) Fund. The £830,000,000 CRSTS fund was awarded to the Combined Authority on 1 April 2022 and was made possible due to the devolution arrangements upon becoming a Mayoral Combined Authority in May 2021. CRSTS aims to deliver schemes to tackle congestion, improve air quality and make sustainable transport (public transport, walking and cycling), the first choice of transport for people in West Yorkshire. It will enable the transport network to adapt to meet the needs of the expanding population of West Yorkshire and the pressure this creates on the transport network so that public transport become an attractive and truly viable alternative to the car.
- 4.4 The aim of this scheme is to develop and deliver a large package of bus and sustainable travel improvement schemes located in the North East sector of Calderdale to be delivered in the future. Subject to securing funding, this will cover the localities of Hipperholme, Northowram and Shelf that will improve transport provision. To achieve this the package of measures are expected to include:
- Streets for People / Low Traffic Neighbourhood style improvements to local centres.
 - Junction and crossing improvements.
 - An active travel network with an accessible pedestrian network and cycle links between local centres and to key destinations such Halifax and Brighouse.
 - New bus lanes and bus priorities to improve journey times and punctuality along with improved bus stop facilities.

- Mobility hubs, creating opportunity for people to cycle and then get on a high frequency bus route, access e-bikes or charge their electric vehicle.
 - An approach of slowing the flow of traffic, including local signals outside centres to stack traffic away from busy areas so that when it does enter that area, traffic flows remain within junction capacity. Speed reduction and integrated UTMC will assist in managing traffic.
 - Short sections of new link roads to improve traffic flow at congested locations and create the space and capacity on existing and new links to support bus priority measures new cycle infrastructure. This will be compliant with the government cycle infrastructure design guidance LTN 1/20.
 - A supporting package of schemes and policy interventions designed to enable and support a change to more sustainable forms of transport.
- 4.5 This scheme was originally part of the Transformational programme and the development of the scheme to strategic outline case (SOC) was funded through the West Yorkshire plus Transport Fund (WY+TF).
- 4.6 The development of this scheme has now been included in the City Region Sustainable Transport Settlement (CRSTS) funded programme. This funding will develop the next stage of the overall project by producing an OBC and deliver a localised bus priority intervention..
- 4.7 The CRSTS funding will be used to fund:
- Development and production of the Outline Business Case to support the ambitions of the larger, future capital improvements project across the North East Calderdale region, to enable future undertaking of a Full Business Case in the future.
 - Phased delivery of a small package of bus priority measures, to be delivered while the overall scheme is being developed. The specifics of this package will be assured separately to the overall scheme so that it is not delayed.
- 4.8 The scheme supports the Strategic Economic Framework investment priority 5 - Delivering 21st Century Transport, through the connectivity improvements and bus priority measures it includes.
- 4.9 The scheme aligns with the West Yorkshire Mayoral priorities:
- Support local businesses and be a champion for our regional economy – by improving connectivity and access to employment opportunities.
 - Tackle the climate emergency and protect our environment - through promoting mode shift to public transport and active travel modes.

Tackling the Climate Emergency Implications

- 4.10 The overall scheme will contribute to tackling the climate emergency by the promotion of public transport through the introduction of bus priority measures.

These will reduce delays to buses and make them more attractive to passengers by improving reliability.

- 4.11 This scheme will also encourage more active forms of travel, such as cycling and walking, by removing barriers and providing new safer and more accessible infrastructure
- 4.12 A qualitative assessment of the carbon impacts of the scheme has been carried out using the Carbon Impact Assessment Tool. At this stage impacts are assessed to be positive or neutral. Assessment will continue as part of the scheme's progression through all stages of development and greater detail will be included in future submissions

Outputs and Benefits

- 4.13 The outputs and benefits from the initial funding of £4,300,000 are:
- 1.8km of bus lanes
 - 2 bus gates
 - 1 bus stop improvement
 - An OBC to support the larger, future scheme of interventions
 - Improved bus journey times and reliability at a location determined during development
- 4.14 Outputs and benefits of the future larger scheme that is being developed with this tranche of funding will include:
- An area wide urban traffic management control system (UTMC)
 - The introduction of low traffic neighbourhoods
 - 20mph zones in residential areas
 - New continuous footway crossings on side roads
 - Junction improvements
 - Improvements to bus infrastructure including such as bus gates and bus stop improvements.
 - Reductions to journey time to be achieved by reduced congestion.
 - Improved bus reliability and travel time leading to greater use of public transport and reductions in car usage
 - Improved cycling and walking provision enabling more people to choose more active forms of travel
 - Improvements in road safety and a reduction in serious casualties
- 4.15 Because the scheme is still at an early stage of development and its content has not yet been finalised, it is not possible to provide an accurate benefit cost ratio (BCR). An full BCR will be developed and presented at outline business case.

Inclusive Growth Implications

4.16 The scheme inclusive growth implications include:

- Members of the community on the lowest incomes are less likely to have access to private cars and are likely to be underserved by public transport provision. This scheme will contribute to the provision of reliable and safe travel public transport options that improve access to places of work, education and leisure by providing quicker journey times and better punctuality through a range of bus priority measures.
- Enabling low cost healthy active forms of travel by removing barriers to cycling and walking and providing new and improved routes and facilities will again benefit those on the lowest incomes by increasing access to safe and cheaper modes of transport.
- Areas with the lowest incomes are generally suffer from lower levels of air quality. By reducing congestion and encouraging greater use of public transport, cycling and walking, this scheme will improve air quality for many.

Equality and Diversity Implications

4.17 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts will continue to be taken into account as part of the development of the scheme and the business case development.

4.18 The equality and diversity implications are:

- The improved infrastructure for walking and cycling will increase safety and security, allowing greater participation for vulnerable protected groups such as women and those with disabilities.
- Improvements to public transport facilities including to bus stops will include accessibility enhancements that will increase accessibility for users with disabilities.

Risks

4.19 The scheme risks include:

- A lack of support for the project from stakeholders, local residents and the wider public. Mitigated by early and ongoing public consultations and engagement, ensuring that discussions are open and that those that will be affected are involved throughout.
- Failure to secure sufficient funding to deliver the full programme. Mitigated by ongoing consultation with public funding providers, ensuring that scheme development continues to be in line with current policy. Early engagement with Combined Authority and ensuring that pre scheme estimates and cash flow projections are robust.
- Lack of suitably skilled staff, both from consultants and staff. Mitigated by early identification of key roles and recruitment where required.

- The current economic climate globally and high levels of inflation continue, reducing what can be delivered within current funding ambitions. Mitigated by ensuring appropriate levels of contingency and inflation allocations are included in the final budget.

Costs

- 4.20 The total cost of the larger scheme is between £77,400,000 and £88,100,000.
- 4.21 At this stage of development, the Combined Authority’s contribution is £4,300,000, of which £400,000 is from the West Yorkshire plus Transport Fund (WY+TF) and £3,900,000 will come from the City Region Sustainable Transport Settlement (CRSTS) fund. The remaining funding requirement of between £73,100,000 and £83,800,000 is yet to be secured and a more accurate costing will be developed further for the outline business case (OBC).
- 4.22 The £400,000 WY+TF contribution was allocated to cover development costs at strategic assessment (SA) to develop the scheme to strategic outline case (SOC).
- 4.23 A further £1,560,000 from the CRSTS fund is sought as part of this decision to begin work on development of the OBC.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	02/02/2023
3 (outline business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Transport Committee	31/03/2027

Other Key Timescales

- 4.24 The assurance pathway and approval route beyond DP3 (outline business case) will be set on approval of the OBC.
- 4.25 Other key timescales are:
- Bus priority small works package start on site – October 2025.
 - Bus priority small works package completion on site March 2027.

Assurance Tolerances

Assurance tolerances
Cost: Combined Authority costs remain within +10% of those outlined in this report

Appraisal Summary

- 4.26 The strategic case is strong, supporting policy and strategy at local, regional and national levels.
- 4.27 The economic case provides assurance that a robust optioneering process has been undertaken in accordance with government guidance. An initial 119 options were considered and evaluated in the long list which was reduced to 4 options in the short list.
- 4.28 The commercial case provides assurance that the promoter has engaged with the market to establish that there is a good level of interest in the construction work envisaged.
- 4.29 A basic procurement strategy is provided which is adequate for this stage of scheme development and covers procurement of consultancy services for development of the scheme and also procurement of a delivery partner. The promoter has analysed the procurement options and intends to utilise existing frameworks to secure these services. It is anticipated that a partnering contract with Early Contractor Involvement (ECI) would be used.
- 4.30 The financial case is less well defined at this stage of scheme development. The estimated costs of the full scheme currently fall into a range between £78,400,000 and £88,100,000, but so far only £400,000 from WY+TF and £3,900,000 from CRSTS has been secured, leaving a significant funding gap.
- 4.31 The current funding will only be sufficient to cover delivery of the small package of bus priority works and development of the overall scheme outline business case.
- 4.32 The promoter will develop the funding strategy further as part of the next stage of business case development.
- 4.33 The allowance for inflation which the promoter has used in their cost estimates is only 3% per annum, which appears very low bearing in mind current inflation levels. More robust cost estimates will be provided in the OBC submission.
- 4.34 In the management case, the submission clearly sets out the governance structure for the scheme and the promoter demonstrates good experience in delivering schemes of a similar nature.
- 4.35 Stakeholder engagement work has been carried out and details are provided in the submission. The project does include some potentially contentious elements such as new road links and queue relocation, so good communications and engagement will be key to the success of the project.
- 4.36 The analysis of the public consultation responses reveals some gaps in representation which the promoter will need to address in future rounds to ensure that fully representative views are obtained. A comprehensive communications strategy will be included in the OBC.

4.37 Overall, the promoter has provided a sufficient level of assurance to recommend that the SOC be approved and work commence on development of the OBC.

Recommendations

4.38 The Combined Authority approves that:

- (i) The Transformational North East Calderdale scheme proceeds through decision point 2 (strategic outline case) and work commences on activity 3 (outline business case).
- (ii) An indicative approval to the Combined Authority's contribution of £4,300,000. The total scheme value is £78.400,000 - £88,100,000
- (iii) Development costs of £1,560,000 are approved in order to progress the scheme to decision point 3 (outline business case) taking the total scheme approval to £1,960,000.
- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Calderdale Council for expenditure of up to £1,960,000.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report

Project Title	CRSTS Highway Asset Management and Off Highway Walking and Cycling Network
Stage	1 (assessment and sequencing)
Decision Point	2 (strategic outline case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.39 This scheme will be funded from CRSTS Fund. The £830,000,000 CRSTS fund was awarded in the summer of 2022 and was made possible due to the devolution arrangements upon becoming a Mayoral Combined Authority in May 2021. CRSTS aims to deliver schemes to tackle congestion, improve air quality and make sustainable transport (public transport, walking and cycling), the first choice of transport for people in West Yorkshire. It will enable the transport network to adapt to meet the needs of the expanding population of West Yorkshire and the pressure this creates on the transport network so that public transport become an attractive and truly viable alternative to the car.
- 4.40 The programme will oversee investment of core funding to manage the highways assets in West Yorkshire to ensure we have safe and well maintained roads, footpaths and public rights of way (off highway walking and cycling). This will include proportionate enhancements to improve facilities that promote access and encourage more active and sustainable forms of travel. Examples of this will include the installation of drop kerbs when pavement surfaces are being renewed and improved prioritisation for buses and cyclists at junctions where asset renewal projects are being delivered.
- 4.41 The programme consists of a prioritised list of schemes for completion that will be scheduled on a yearly basis. Each local authority has a rolling programme of inspection for each category of highways assets, which include bridges, road surfaces and pavements, which will assess the quality and risks associated with their current state. Based on the outcome of these inspections, assessment of accident statistics and the third-party claims associated with each asset the local authority will prioritise works for that year to fulfil its legal responsibility to operate a safe network. In addition, where works are undertaken each local authority will seek to fulfil objectives to improve access and safety for all, bus prioritisation at junctions and moving

towards the government's design guidance for cycling infrastructure LTN1/20. The programme for each year will be overseen by Highways Alliance Highways Infrastructure Asset Management (HIAM) board. Each local authority has a lead officer to oversee the programme in their area and to facilitate approval in local authority cabinet reports.

- 4.42 The programme will allow flexibility for short term adjustment to the schemes where extreme weather or other external factors increase the priority on a scheme or make emergency repairs unavoidable. The process of reviewing all the factors in determining the priority list of schemes to be carried out will be repeated each year. To enable this flexibility funding will be sought on a yearly basis for the 5 year duration of the schemes. Each year's funding allocation will be assured through the submission of a strategic outline case for each financial year of the programme's duration with the final one due before the end of February 2026. Each strategic outline case will update on progress in the previous 12 months and confirm the schemes and funding required for the subsequent 12 months.
- 4.43 The distribution of the funding awarded between the districts was agreed by the Yorkshire Highways Alliance Highways Infrastructure Asset Management Board. This year is a transitional year as the distribution of funds to partner councils is based on an historic figure for the length of network each council maintains. In future years this will be based instead on current network length recorded with the Department for Transport (DfT). The transitional year shields some partners from a 'cliff edge' step change in funding.
- 4.44 This strategic outline case seeks the balance of funding for the current financial year (Q1 and Q2 2022/23 funding was previously approved by the Combined Authority). Approval is also sought for quarter 1 expenditure for the 2023/4 (year 2) financial year, to enable delivery to continue whilst the next strategic outline case for the second year of the programme is developed.
- 4.45 A summary of the scheme's business case is included in Appendix 2.

Tackling the Climate Emergency Implications

- 4.46 The scheme tackling climate emergency implications are:
- Reducing pollution through an effective well prioritised maintenance programme minimises the disbenefits of potholes and uneven end of life surfacing which similar maintenance schemes suggest increase carbon emissions by circa 4%.
 - Promoting a move from cars to walking and cycling through targeted enhancements for cyclists, pedestrians, and buses.
- 4.47 Use of the Carbon Impact Assessment Tool has not been required because this is a strategic outline case. Assessment of carbon will form part of the prioritisation of works by each of the partner councils.

Outputs and Benefits

- 4.48 The scheme outputs and benefits include:

Output	Number
Carriageway improvements	715
Footway improvements	150
Highway drainage improvements	44
Structures improvements	97
Street furniture improvements	47
Off Highway Walking and Cycling improvements	182
Street lighting improvements (non-PFI)	1

4.49 The scheme benefits include:

- Reduction in claims for road user compensation on new surfacing.
- Reduction in long-term maintenance costs.
- Reduction in health costs due to improved health from more active travel journeys.
- Journey time savings including for buses that are reprioritised.
- Improved safety and perceptions of safety for women and girls as confirmed by surveys.
- Business productivity benefits (non-cash releasing).
- Improved journey quality for all road users, due to improved surfacing and reduced frustration at roadworks.
- Community pride from a well maintained, clean and attractive public realm, highway network and Off Highway Walking and Cycling network.

Inclusive Growth Implications

4.50 The scheme inclusive growth implications include:

- Providing most improved active travel facilities and bus prioritisation schemes close to areas of multiple deprivation as in Annexe 2, to favour those less likely to have access to private cars for work and education.
- The procurement of all contracts for this programme will appraise social value gains and typically use a 10% weighting in the tender evaluation process on this contribution.
- Including social value commitments in all contracts that are legally binding and actively monitored.

Equality and Diversity Implications

4.51 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

Risks

4.52 The scheme risks include:

- Cost rises due to inflation will be kept under continual review and if necessary, fewer schemes will be delivered if cost negotiations with contractors can't decrease costs enough.
- Insufficient staff availability in the companies engaged to deliver the work leading to delays. This will be minimised by joint planning meetings with the companies to plan workloads and match it to workforce needs.
- Unexpected failure of highway assets making emergency repairs necessary instead of planned schemes. This will be managed if needed by reprioritisation of the planned programme to repair the damaged asset. Plans for winter maintenance and flood risk management by each partner council will assist with reducing this risk.

Costs

4.53 The scheme costs are:

- The total scheme costs for the five-year Highways Asset Management and Enhancement programme are £248,000,000 with a further £344,000 for Off Highway Walking and Cycling. Both will be completely funded by the Combined Authority's CRSTS fund.
- Funding to be approved quarter 3 and quarter 4 with a further £344,000 for Off Highway Walking and Cycling. In addition, approval is sought for funding for quarter 1 of the 2023/4 financial year of £12,400,000 for Highways Asset Management funding and £172,000 for Off Highway Walking and Cycling.
- This strategic outline case is for spending approval for quarter 3 and quarter 4 spend for this financial year, following approval of the first two quarters spend by the Combined Authority on 17 March 2022.
- The Combined Authority confirmed on 17 March 2022 as part of the approval pathway for this CRSTS programme that any development costs to develop the strategic outline cases would come from within the £248,000,000 allocation.

4.54 The Combined Authority will enter into addendums to the existing funding agreements with partner councils for expenditure of up to £24,800,000 with an additional £344,000 for Off Highway Walking and Cycling from the CRSTS Fund in addition to the quarter 1 and quarter 2 funding already awarded for 2022/3. For the (year 2) funding for 2023/24 addendums amounting to £12,400,000 and £172,000 for Off Highway Walking and Cycling will also be required.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 to 4 (strategic outline case) Year 1 (2022/23)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	02/02/2023
2 to 4 (strategic outline case) Year 2 (2023/24)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	26/05/2023
2 to 4 (strategic outline case) Year 3 to 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: To be determined	To be determined
5 (delivery) Year 1 to 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	30/06/2027

Assurance Tolerances

Assurance tolerances
Cost: Combined Authority costs remain within +5% of those outlined in this report Programme: Delivery (DP5) timescales remain within 3 months of those outlined in this report. Outputs: Remain within -10% of those outlined in this report

Appraisal Summary

- 4.55 The programme will provide essential maintenance with logical and proportionate improvements to the highway infrastructure as funding allows, to fulfil the legal responsibility of the five local authority partners in West Yorkshire to prevent deterioration and hazards developing roads, pavements and public rights of way network. It will pave the way for renewed economic growth coming out of the current recession, contribute to levelling up and support a policy of modal shift to active travel and public transport.
- 4.56 The individual approval pathway for the programme means that a new strategic outline case will be submitted each year to summarise the progress made to date and to obtain approval for the spending and works planned for the following 12 months. The next strategic outline case for 2023/4 will provide a progress update, give more information on the way short term contracts are being set up jointly across West Yorkshire to offset some of the impact of inflation and will explain how success will be measured on the programme going forward. In addition, there will more detail on the approach to embedding commitments to the Mayor's pledges on tackling climate change and improving safety and perceived safety of women and girls on the assets maintained.

Recommendations

4.57 The Combined Authority approves that:

- (i) The CRSTS Asset Management and Enhancement Programme proceeds through decision point 2 and 4 and delivery continues until the end of quarter 1 of year 2023/24, and work commences on the development of the SOC for year 2.
- (ii) An indicative approval to the total CRSTS Asset Management and Enhancement Programme value of £248,000,000 and to the total CRSTS Off Highway Walking and Cycling value of £3,440,000 for Off Highway Walking and Cycling is given.
- (iii) Approval to an additional £24,800,000 of development and delivery costs for quarter 3 and quarter 4 of the CRSTS Asset Management and Enhancement programme (year 1) is given to provide a total allocation of £49,600,000 for the 2022/23 financial year. For Off Highway Walking and Cycling approval to an additional £344,000 is given to provide a total allocation for the 2022/23 financial year of £688,800.
- (iv) Approval to £12,400,000 of development and delivery costs for quarter 1 for the 2023/24 financial year for the CRSTS Asset Management and Enhancement programme is given and approval to £172,000 of development and delivery costs for quarter 1 for the 2023/24 financial year for the CRSTS Off Highway Walking and Cycling.
- (v) The Combined Authority enters into addendums to the existing funding agreements with the partner councils of the apportioned £37,200,000 for Q3 and 4 2022/23 and Q1 of 2023/24 financial year for CRSTS Asset Management and Enhancement programme and £516,000 for 2022/23 and Q1 of 2023/24 financial year for CRSTS Off Highway Walking and Cycling, up to the amounts shown below:
 - Bradford - £7,906,412
 - Calderdale - £4,979,964
 - Kirklees - £7,767,932
 - Leeds - £11,375,332
 - Wakefield - £5,686,360
- (vi) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	CRSTS Network Management Renewals and Enhancements
Stage	1 (assessment and sequencing)
Decision Point	2 (strategic outline case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.58 This scheme will be funded from City Region Sustainable Transport Settlements (CRSTS) Fund. The £830,000,000 CRSTS fund was awarded to the Combined Authority on 1 April 2022 and was made possible due to the devolution arrangements upon becoming a Mayoral Combined Authority in May 2021. CRSTS aims to deliver schemes to tackle congestion, improve air quality and make sustainable transport (public transport, walking and cycling), the first choice of transport for people in West Yorkshire. It will enable the transport network to adapt to meet the needs of the expanding population of West Yorkshire and the pressure this creates on the transport network so that public transport become an attractive and truly viable alternative to the car.
- 4.59 The Network Management and Enhancement Programme stems from local plans and transport strategies for the 5 West Yorkshire local authorities: Leeds, Wakefield, Bradford, Kirklees and Calderdale. The age of the traffic management systems and infrastructure causes delay and disruption in journey times as well as presenting a barrier to pedestrians, cyclists and making bus travel less attractive. This scheme seeks to address these issues through a package of maintenance and replacement across the region. Improvements delivered through this package will include:
- Upgraded traffic signals and control equipment across West Yorkshire.
 - Enhancement of traffic signals and technology to introduce detection and management of buses and cycles traffic flow alongside improved signalled pedestrian crossings.
 - The introduction of the latest artificial intelligence and control techniques. These will benefit all traffic users, in particular pedestrians, cyclists and bus passengers.

4.60 This investment secures a resilient network of traffic control infrastructure for the region, improving journey times and promoting and enabling increased walking and cycling. This will lead to improved air quality, particularly in areas where air quality is poorer.

4.61 The scheme objectives are:

- Improved flow of traffic on the region's road networks
- Improved traffic signal reliability and reduction in problems caused by signal failures to road users
- Reductions in the carbon generated by traffic on the region's roads

4.62 This scheme is part of the CRSTS Programme and received indicative approval alongside the Highways Asset Management scheme and the Safer Roads Programme at the Combined Authority in 17 March 2022.

4.63 A summary of the scheme's business case and location map is included in **Appendix 3**.

Tackling the Climate Emergency Implications

4.64 This scheme will contribute to tackling the climate emergency by:

- Promoting a move towards more sustainable forms of transport through improvements in bus priority measures, safer and improved traffic controls benefiting cyclists and pedestrian.
- Reducing energy consumption of signal equipment by refurbishing sites with energy saving technology such as halogen lamps and LED lights.

4.65 An initial assessment indicates a saving of up to 232 tonnes of CO₂ per year could be achieved throughout the region. This scheme will continue to be developed with the assessment and reduction of carbon as a key objective.

Outputs and Benefits

4.66 The scheme outputs and benefits are:

- Refurbishment of crossings and junctions, including conversion from halogen bulbs to LED where required of 235 sites over five years.
- Installing, renewing or upgrading technology for bus priority detection, cycle detection or smart pedestrian detection technology to 51 sites over five years.
- Introduction of innovative signal technology, including the development of a city centre traffic flow using machine learning, to be implemented on 25 sites over five years.
- Introduction of air quality monitoring equipment and improvements to junction operation to reduce stop-start traffic to be implemented to 25 sites over five years.

- Improved communication networks by upgrading and modernising communication equipment, increasing resilience and bandwidth to 141 sites over five years.
- Reductions in the cost of repair and maintenance of traffic control infrastructure This scheme is projected to achieve a reduction of between 800 and 1,000 signal faults per year.
- Reduction in energy costs of at least £131,000 per year, based on 2021 energy prices.
- Carbon saving of 232 tonnes of CO2 emissions from traffic per year, worth £57,000 per year based on 2021 energy prices.
- Reduction in delays for all road users.
- Reduced accidents through improved pedestrian and cycle facilities.
- Health benefits for residents that are enabled to shift to walking or cycling due to improvements in their safety and reliability.
- Journey quality improvements.
- Noise and air quality improvements from reduced congestion and a shift from the use of cars to more active forms of transport.

4.67 The estimated benefit cost ration (BCR) for this scheme is high value for money, with an indicative Benefit to Cost Ratio of between 2 and 4, based on comparator case studies.

Inclusive Growth Implications

4.68 The scheme inclusive growth implications include:

- Poor air quality tends to disproportionately affect communities in areas that have lower levels of household income. This scheme will contribute to improvements in air quality for these communities.
- Improvements to the reliability of buses and improved provision for walking and cycling will benefit those that do not have access to private cars to access places of work, education and leisure.

Equality and Diversity Implications

4.69 An Equality Impact Assessment (EqIA) has been undertaken for the scheme and equality and diversity impacts taken account of as part of the development of the scheme and the business case development.

4.70 The scheme equality and diversity implications are:

- Upgraded pedestrian crossings benefits will include increased crossing times at traffic lights. This will increase safety and comfort for users that need more time to cross safely, such as residents with reduced mobility, carers and parents with young children,
- Improved reliability of crossings will reduce the impact signal failures which have a greater impact on the safety and independence of pedestrians, such as the elderly, disable and young.

- The proposed technology upgrade will especially benefit those with physical and visual impairments by removing the need for pedestrians to press the button at crossings.

Risks

4.71 The scheme risks include:

- Ongoing rises in inflation impacting all levels of the supply chain, resulting in ongoing cost increases for purchasing and construction, reducing what can be achieved within the scheme's budget. This will be mitigated by early procurement with an emphasis on seeking value for money in negotiations. It may be necessary to reduce the number of sites that this scheme can deliver.
- Limited staff available to develop and deliver within West Yorkshire local authorities, consultants and contractors. This is being mitigated by exploring opportunity to provide longer term certainty in funding and establishment of plans to attract, train and develop additional staff with the necessary skills over 5 year programme.

Costs

4.72 The total scheme costs are for the five year Network Management Renewals and Enhancements programme are £25,000,000. This will be completely funded by the Combined Authority's CRSTS)fund.

4.73 This report is requesting approval of:

- An additional £1,862,500 of development and delivery costs for quarter 3 and quarter 4 for the CRSTS Network Management and Enhancement programme (year 1) taking total approval up to £4,362,500 for the 2022/23 financial year.
- £931,250 of development and delivery costs for quarter 1 for the 2023/24 financial year for the CRSTS Network Management and Enhancement programme (Year 2) taking total approval up to £5,293,750.

Network Management and Enhancement Programme	Q3&Q4 Year 2022/23	Q1 2023	Total funding
Bradford	600,000	300,000	900,000
Calderdale	70,000	35,000	105,000
Kirklees	387,500	193,750	581,250
Leeds	455,000	227,500	682,500
Wakefield	350,000	175,000	525,000
Total	1,862,500	931,250	2,793,750

4.74 The Combined Authority will enter into addendums to the existing funding agreements with the five partner councils of the apportioned £2,793,750 for Q3 and 4 of 2022/23 and Q1 of 2023/24 financial year taking, up to the amounts shown below:

- Bradford - £1,475,000
- Calderdale - £280,000
- Kirklees - £1,006,250
- Leeds - £1,657,500
- Wakefield - £ 875,000

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 to 4 (strategic outline case) Year 1 (2022/23)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	02/02/2023
2 to 4 (strategic outline case) Year 2 (2023/24)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	26/05/2023
2 to 4 (strategic outline case) Year 3 to 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: To be determined	To be determined
5 (delivery) Year 1 to 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	30/06/2027

Assurance Tolerances

Assurance tolerances
Cost: Combined Authority costs remain within +5% of those outlined in this report Programme: Delivery timescales remain within 3 months of those outlined in this report. Outputs: Remain within -10% of those outlined in this report

Appraisal Summary

4.75 The Network Management and Enhancement Programme is well established scheme, historically delivered by local authorities managing the scheme within the yearly budget allocation. With set up of the CRSTS funding, the costs for network management and enhancement have been included in this funding stream.

4.76 The scheme is clearly aligned with local authorities' strategies and aims, national and regional strategies and embedded in the CRSTS programme. It supports the climate emergency strategies of the Combined Authority by working towards decarbonisation of the network management system.

Recommendations

4.77 The Combined Authority approves that:

- (i) The CRSTS Network Management and Enhancement programme proceeds through Decision Point 2 and 4 and delivery continues until the end of quarter 1 of year 2023/24, and work commences on the development of the SOC for year 2.
- (ii) An indicative approval to the total CRSTS Network Management and Enhancement programme value of £25,000,000 is given.
- (iii) Approval to an additional £1,862,500 of development and delivery costs for quarter 3 and quarter 4 for the CRSTS Network Management and Enhancement programme (year 1) is given to provide a total allocation of £4,362,500 for the 2022/23 financial year.
- (iv) Approval to £931,250 of development and delivery costs for quarter 1 for the 2023/24 financial year for the CRSTS Network Management and Enhancement programme (Year 2) is given taking total approval up to £5,293,750.
- (v) The Combined Authority enters into addendums to the existing funding agreements with the five partner councils of the apportioned £2,793,750 for Q3 and 4 of 2022/23 and Q1 of 2023/24 financial year taking, up to the amounts shown below:
 - Bradford - £1,475,000
 - Calderdale - £280,000
 - Kirklees - £1,006,250
 - Leeds - £1,657,500
 - Wakefield - £ 875,000
- (vi) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances set out in this report.

Project Title	CRSTS Safer Roads
Stage	1 (assessment and sequencing)
Decision Point	2 (strategic outline case)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.78 The Safer Roads programme will be funded from the City Region Sustainable Transport Settlement Fund (CRSTS). The £830,000,000 CRSTS fund was awarded to the Combined Authority on 1 April. CRSTS aims to deliver schemes that tackle congestion, improve air quality and make sustainable transport (public transport, walking and cycling), the first choice of transport for people in West Yorkshire. It will enable the transport network to adapt to meet the needs of the expanding population of West Yorkshire, and the pressure this creates on the network, so that sustainable transport becomes an attractive and truly viable alternative to the car.
- 4.79 In terms of road safety in West Yorkshire, it is reported that in 2021, 47 road users were killed in West Yorkshire; almost half of those were pedestrians or cyclists. Over 5,000 people were injured with 1,000 of these seriously injured. It is estimated that the cost to society of road collisions in West Yorkshire in 2021, was in the region of £441m.
- 4.80 The ultimate aim of the CRSTS Safer Roads Programme is to improve road safety through the reduction of the number of road collisions that are categorised as Killed and Serious Injuries (KSI).
- 4.81 The Safer Roads Programme is seeking to contribute to the emerging 'Vision Zero' action plan which sets an aspirational target of a 'zero tolerance' of transport related deaths and serious injury collisions. This will be achieved by adopting a 'safe systems' approach that focuses on providing safe speeds, safe roads, safe vehicles, safe road users and post-collision response. A wide range of measures are proposed to deliver this, including traffic calming, pedestrian and cycle facilities, speed limit reductions and parking management. The programme also looks to boost accessibility by addressing barriers to accessing the transport network with regard to real and perceived issues relating to safety; it is considered this will then encourage people to

travel by more sustainable transport modes such as walking, cycling and public transport which will help contribute to the decarbonisation of the transport network.

4.82 The programme objectives include:

- Reducing the number and severity of traffic collisions
- Increased speed limit compliance on national roads
- Increased speed limit compliance on local roads
- Encouraging a move from cars to walking and cycling

4.83 The CRSTS funding will enable each district partner to deliver a programme of road safety measures that aim to improve road safety through the reductions of KSIs and road risks.

4.84 A summary of the scheme's business case and location map is included in **Appendix 4**.

Tackling the Climate Emergency Implications

4.85 The scheme aims to contribute to tackling the climate emergency by creating safer roads which encourage people to travel by more sustainable transport modes such as walking, cycling and public transport, rather than by the private car. By providing easy access to sustainable alternatives to private vehicles this scheme will contribute to the reduction carbon emissions in the region.

4.86 The Combined Authority's carbon impact assessment tool has been completed as part of the business case submission. The assessment highlighted that there are no negative impacts to the environment expected from this programme, with slight beneficial impacts expected towards air quality, greenhouse gasses, and noise.

Outputs and Benefits

4.87 The scheme outputs and benefits for (Year 1) include:

- 22 traffic calming schemes
- 10 junction improvement works
- 25 traffic management schemes
- 18 pedestrian crossings
- 1 speed enforcement camera
- 27 average speed cameras
- 77 Traffic Regulation Orders
- 8 speed management schemes
- 4 cycle infrastructure schemes
- 3 20mph limits/zones

- 26 accessibility works
- Benefits to society from a reduction in casualties (e.g. reductions in grief, loss of earnings, healthcare costs)
- Road user delay benefits from a reduction in disruption due to collisions
- Health benefits from an increase in active travel (e.g. reduced absenteeism, reductions in healthcare costs)
- Environmental benefits (e.g. noise, air quality, greenhouse gases) from a modal shift from car to active travel
- Improved journey quality for all road users, due to improved feelings of safety
- Improved access to employment and education, reducing severance and improving social inclusion.

Inclusive Growth Implications

4.88 The scheme's inclusive growth implications include:

- Improving safety on the transport network and seeking to reduce the number of collisions which disproportionately impact more vulnerable members of society. This includes pedestrians, cyclists, children, older people and those living in areas identified as having high levels of deprivation (as recorded by the Governments Indices of Multiple Deprivation).
- Implementing improvements in locations along key public transport routes and in areas with high proportions of residents with relatively low incomes. This will facilitate a better connected and safer transport network that will encourage use of walking, cycling, and public transport enabling those without access to a car to travel safely and efficiently to places where employment, education, and leisure opportunities are available.

Equality and Diversity Implications

4.89 An Equality Impact Assessment (EqIA) has been undertaken for the scheme. Equality and diversity impacts were taken account of as part of the development of the scheme and the business case development. It was concluded that no groups in society will be negatively impacted by the programme and associated projects. It is highlighted that Introducing and improving engineering measures such as traffic calming, pedestrian and cycle facilities, and speed management initiatives will allow all users to use and cross the road safely and comfortably, particularly the young, elderly, and disabled who are more vulnerable to road traffic collisions . As such, the safety benefits that will result from the proposed improvements would reduce the unequal impact in terms of road safety that these more vulnerable groups experience.

Risks

4.90 The scheme risks include:

- Schemes' failing to comply with latest walking and cycling infrastructure guidance. This will be mitigated by ensuring the latest guidance is considered when designing the schemes.
- Proposals may involve removing existing parking provision resulting in objections to the scheme. This will be mitigated by incorporating early engagement as schemes are being designed to ensure 'buy-in' and political support for the proposals.
- Initial increase in collisions following delivery of scheme. This will be mitigated by ensuring Road Safety Audits are undertaken together with monitoring and evaluation of the schemes to understand the scheme's performance and enable lessons to be learned and taken into account.
- High rates of inflation impacting scheme costs. It is proposed that this will be mitigated by delivering fewer schemes or delaying delivery of certain schemes if construction inflation is to change going forward. Schemes will need to be prioritised to ensure the key locations are improved first.
- Increases in maintenance costs as a result of introducing new schemes. This is proposed to be mitigated by ensuring designs are simplified as much as possible and avoid using materials which require more frequent maintenance.

Costs

4.91 The scheme costs are:

- The total scheme cost for the five-year Safer Roads Programme is £25,000,000, which is being completely funded from the Combined Authority's CRSTS fund.
- Funding to be approved for quarter 3 and quarter 4 for the financial year 2022/23 (year 1) of £2,500,000. In addition approval is sought for funding for quarter 1 of the 2023/24 financial year of £1,250,000.
- This strategic outline case is for spending approval for quarter 3 and quarter 4 spend for this financial year, following approval of the first two quarters spend by the Combined authority on 17 March 2022.
- The Combined Authority confirmed on 17 March 2022 as part of the approval pathway for this CRSTS programme that any development costs to develop the strategic outline cases would come from within the £248,000,000 allocation.
- The Combined Authority will enter into addendums to the existing funding agreements with the five partner councils of the apportioned £3,750,000 for Q3 and 4 of 2022/23 and Q1 of 2023/24 financial year taking up to the amounts shown below:
 - Bradford - £866,250
 - Calderdale - £330,000
 - Kirklees - £693,750
 - Leeds - £1,297,500
 - Wakefield - £562,500

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 to 4 (strategic outline case) Year 1 (2022/23)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	02/02/2023
2 to 4 (strategic outline case) Year 2 (2023/24)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	26/05/2023
2 to 4 (strategic outline case) Year 3 to 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: To be determined	To be determined
5 (delivery) Year 1 to 5	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	30/06/2027

Assurance Tolerances

Assurance tolerances
Cost: Combined Authority costs remain within +5% of those outlined in this report Programme: Delivery (DP5) timescales remain within 3 months of those outlined in this report. Outputs: Remain within -10% of those outlined in this report.

Appraisal Summary

- 4.92 The scheme aims to support inclusivity, accessibility and to help tackle the climate emergency, through delivery of schemes that improve safety on the transport network in West Yorkshire. The schemes will reduce the number of people killed or seriously injured, in particular for those walking or cycling.
- 4.93 The business case highlights the ability for the schemes to provide very high value for money. It is estimated that the costs resulting from road collisions in West Yorkshire, in 2021, was around £441,000,000 and the £25,000,000 programme will make a significant impact in reducing that figure. Future business case submissions will take account of the recommendations made in the appraisal of this business case submission. This will include providing further evidence and detail as to how the benefits will be realised and how the schemes are prioritised to ensure the programme provides the optimal level of benefits. Future business case submissions for this programme will also set out how the schemes will be monitored to enable understanding of how well the schemes are performing to help ensure future schemes can tackle road safety issues effectively.

Recommendations

4.94 The Combined Authority approves that:

- (i) The CRSTS Safer Roads Programme proceeds through Decision Point 2 and 4, and delivery continues until the end of quarter 1 of year 2023/24, and work commences on the development of the strategic outline case for Year 2.
- (ii) An indicative approval to the total CRSTS Safer Roads programme value of £25,000,000 is given.
- (iii) Approval to an additional £2,500,000 of development and delivery costs for quarter 3 and quarter 4 for the CRSTS Safer Roads programme (Year 1) is given to provide a total allocation of £5,000,000 for the 2022/23 financial year.
- (iv) Approval to £1,250,000 of development and delivery costs for quarter 1 for the 2023/24 financial (year 2) for the CRSTS Safer Roads programme (Year 2) is given taking total approval up to £6,250,000.
- (v) The Combined Authority enters into addendums to the existing funding agreements with the five partner councils for expenditure of the apportioned £3,750,000 for Q3 and 4 of the 2022/23 financial year and Q1 of the 2023/24 financial year, up to the amounts shown below:
 - Bradford: £866,250
 - Calderdale: £330,000
 - Kirklees: £693,750
 - Leeds: £1,297,500
 - Wakefield: £562,500
- (vi) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances set out in this report.

Projects in Stage 2: Scheme development

4.95 There are no schemes to review at this stage.

Projects in Stage 3: Delivery and Evaluation

Project Title	City Square Plus – Thirsk Row
Stage	3 (delivery and evaluation)
Decision Point	Change request (activity 1)

Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Background

- 4.96 This scheme will be funded from City Region Sustainable Transport Settlements (CRSTS) Fund. The £830,000,000 CRSTS fund was awarded to the Combined Authority on 1 April 2022 and was made possible due to the devolution arrangements upon becoming a Mayoral Combined Authority in May 2021. CRSTS aims to deliver schemes to tackle congestion, improve air quality and make sustainable transport (public transport, walking and cycling), the first choice of transport for people in West Yorkshire. It will enable the transport network to adapt to meet the needs of the expanding population of West Yorkshire and the pressure this creates on the transport network so that public transport become an attractive and truly viable alternative to the car.
- 4.97 Other aspects of the Leeds City Centre Plus Package are being funded through the West Yorkshire Plus Transport Fund (WY+TF), and the Thirsk Row scheme has been developed using funding from the WY+TF City Square Plus scheme.
- 4.98 The City Square Plus scheme was identified for delivery through the Leeds City Centre Package (LCCP) programme. The LCCP aspiration is to transform travel within Leeds city centre through the removal of unnecessary through traffic and to re-prioritise major routes to public transport, pedestrians, cyclists, and public realm. The LCCP programme includes the following completed and in progress schemes:
- **Infirmiry Street Gateway and Park Row.** Construction complete. Infirmiry Street has been converted to two-way traffic which facilitates bus services in both directions in readiness for the closure of City Square. Park Row has become one-way southbound, with widened pavements, and consolidated bus stops.

- **Meadow Lane.** Construction complete. Changes to road layout, bus and pedestrian priority measures and provision for safer cycle ways to complement 'Grey to Green' investment used to deliver the adjacent Phase 1 of the Aire Park.
- **A64 Regent Street flyover.** Construction complete. Previous carriageway and bridge replaced following serious bridge integrity and maintenance issues.
- **Armley Gyratory.** Phase 1 - Enhancement to the highway capacity at the gyratory to accommodate re-routed traffic on to the inner ring road is under construction. Phase 2 – The replacement of the existing footbridges with new LTN1/20 compliant (Local Transport Plan design principles as recommended by the Department for Transport) walking & cycling footbridges, subject to another Approval to Proceed.
- **City Square Plus.** The area immediately north of Leeds Rail Station to be pedestrianised, with access retained for buses, taxis, and cycles only. Vehicular access to the southern end of Quebec Street is also removed. East Parade, King Street (section south of Bedford Street), and Thirsk Row will be converted to two way working. Calverley Street, north of The Headrow, to be re-designed to limit traffic moving north via East Parade to bus and emergency services only, with access maintained via Great George Street.

4.99 Since 2008, the vision for the future of Leeds city centre, Leeds City Council and partners have been progressing and delivering a people and not car, first approach to its infrastructure delivery.

4.100 Because of the key role that bus travel plays in the Leeds Transport Strategy and the West Yorkshire Transport Strategy 2040, the CRSTS funded schemes within Leeds city centre seek to build upon the benefits of the removal of through traffic from City Square. Two key schemes that support the strategy for bus travel are East Parade Bus Gate and Thirsk Row. These schemes complement the closure of City Square and are only possible because of it.

4.101 The conversion of Thirsk Row to two-way traffic was approved by the Combined Authority on 22 July 2022 as part of the City Square Plus scheme. This funding from the CRSTS fund will enable further improvements to be delivered by the Thirsk Row works. These include benefits for pedestrians and cyclists through with areas of wider footpaths and an extension of the existing two-way cycle track on Wellington Street which will helping to plug a gap in the city's cycle routes that currently leave westbound cyclists without an effective cycle route. Benefits to bus passengers include bus priority by restricting access to buses, taxis and cycles.

4.102 Leeds Council have identified an opportunity to mitigate further construction disruption and impact to bus services by using the City Square contractor and delivery programme to deliver the Thirsk Row and East Parade schemes. Using the already appointed contractor will reduce procurement costs and enable works to finished earlier than would otherwise be possible. This will not only reduce the impact of further inflation costs, but will also realise benefits sooner for bus operators, bus users, pedestrians, and cyclists.

- 4.103 The City Square Plus approval covered the WY+TF funded elements of the scheme. This change request is to approve the CRSTS elements.
- 4.104 As a result, a change request has been brought forward to secure approval of the remaining £939,000 and bring it into line with the agreed CRSTS budget.

Tackling the Climate Emergency Implications

- 4.105 The assessment of carbon was carried out as part of City Square Plus business case that came forward at full business case (FBC). Whilst it indicated an increase of 2,784 tonnes of carbon over a 60 year appraisal period, this was largely attributed to motorists re-routing onto longer trips away from the city centre.
- 4.106 At a strategic level the City Square Plus scheme (including Thirsk Row) is considered central to Leeds city council's ambition to create a people centric and public space city centre environment, and to permanently change commuter travel choices to more sustainable options and improve the long-term city centre air quality. Removal of traffic unlocks opportunities for other schemes to reallocate road space for delivery of alternative travel options, including the region's Mass Transit ambitions, and support city centre living.

Outputs and Benefits

- 4.107 The Thirsk Row scheme outputs and benefits include:
- 1 bus gate (not a formal bus gate, but a Bus Only restriction enforced using turn bans having the effect of a bus gate).
 - 1 new segregated crossing on King Street, on the approach to the junction with Wellington Street.
 - 1 new signal controlled junction, at King Street with Wellington Street.
 - Improved journey time savings estimated at 75 seconds per passenger journey by 2023 following the conversion of Thirsk Row to two-way operation to allow outbound buses heading for Whitehall Road to bypass the 'loop'.
 - An additional length of two-way segregated cycle track.
- 4.108 It is to be noted the Thirsk Row scheme complements the wider City Square Plus outputs and benefits, notably two-way bus movements along King Street and East Parade.
- 4.109 The value for money (VfM) assessment was calculated as part of the City Square Plus business case. It reflected a Benefit Cost Ratio (BCR) of -1.56:1, placing the scheme in the Very Poor VfM category when assessed against the Department for Transport's VfM criteria. The City Square Plus scheme is however largely focused on improving public space and demonstrates good benefits for pedestrians, cyclists, and public transport users. The primary reason for the Very Poor VfM is the aggregation of changes in general traffic journey times as a result of trips through City Square being re-routed using the motorway and inner ring road away from the city centre. As per HM Treasury Green Book guidance, the evaluation of business cases encourages

consideration of intended objectives and support to local priorities alongside the BCR.

Inclusive Growth Implications

- 4.110 The Thirsk Row scheme will support inclusive growth as it will improve the journey quality for those who rely on public transport as a more affordable option to access the city centre and its key attractors such as education, employment, training, housing, or leisure sites.
- 4.111 The scheme further supports inclusive growth as it complements the interventions being delivered as part of the wider City Square Plus scheme, reprioritising road space to sustainable travel and public space, making it easier for all to travel to the city centre by foot, cycle, or bus.

Equality and Diversity Implications

- 4.112 An Equality Impact Assessment (EqIA) was carried out as part of the City Square Plus business case, with the designs for all intended changes including at Thirsk Row giving due consideration to the protected characteristic groups as defined in the Equality Act 2010.
- 4.113 The Thirsk Row scheme will have a positive impact on the accessibility of bus journeys in Leeds city centre and at Leeds train station.

Risks

- 4.114 There are no new Thirsk Row scheme specific risks outside of the City Square Plus risk register submitted as part of the City Square Plus full business case (FBC). This included the risk of utilities and need for diversions impacting scheme design and costs, and the risk of delay and additional costs given the multiple delivery of schemes in the city centre, e.g., Transforming Cities Fund Leeds Rail Station Bishopgate works. The promoter reflected mitigations are in place to manage these risks.

Costs

- 4.115 At the Combined Authority committee on the 22 July 2022 the City Square Plus full business case (FBC) secured approval to total Combined Authority funding of £8,385,000, of which £6,428,000 from the West Yorkshire plus Transport Fund (WY+TF) and £1,957,000 from the City Region Transport Settlement (CRSTS) fund.
- 4.116 On the 8 December 2022 a further £2,700,000 WY+TF was approved for the City Square Plus scheme as part of the inflation review, increasing the WY+TF budget to £9,128,000 and the total Combined Authority funding to £11,085,000.
- 4.117 The £1,957,000 CRSTS funding approval at FBC included costs to deliver the East Parade bus gate and works at Calverley Street (north of The Headrow), with a £561,000 sum allocated for Thirsk Row pending design development. The Thirsk Row cost has been calculated at £1,500,000 and this change

request seeks approval of the £939,000 balance from CRSTS, taking the total CRSTS approval to £2,896,000.

4.118 The total City Square Plus scheme cost is £12,174,000 of which:

- £9,128,000 WY+TF
- £2,896,000 CRSTS
- £150,000 section 106 developer contribution

4.119 Upon the approval of Thirsk Row change request, the Combined Authority will enter into an addendum to the existing Funding Agreement for the City Square Plus scheme with Leeds City Council for expenditure up to £11,641,000, of which £9,128,000 WYTF and £2,513,000 CRSTS.

Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 5)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority	02/02/2023
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Chief Operating Officer	26/07/2023

Other Key Timescales

4.120 The City Square Plus construction programme commenced in September 2022.

4.121 The Thirsk Row construction works within the City Square Plus construction programme will start in May 2023.

4.122 Advance temporary works at Thirsk Row to accommodate buses through the affected streets began on 08 January 2023.

Assurance Tolerances

Assurance tolerances
That Combined Authority costs remain within those outlined in this report. That delivery timescales remain within +3 months of those outlined in this report.

Appraisal Summary

4.123 The Thirsk Row scheme change request indicates it will still deliver the project outputs and benefits as described previously in the City Square Plus full

business case, complementing the wider City Square Plus proposals, notably the King Street and East Parade bus corridor.

4.124 The Thirsk Row works have already been programmed in by the contractor, with minimal risk to the delivery of works, whilst there is no change to the previously calculated value for money position.

4.125 Alongside the Thirsk Row change request, the promoter confirms the main City Square Plus scheme has recently secured approval of a further £2,700,000 from the West Yorkshire plus Transport Fund following the Inflation Review, giving suitable assurance that the City Square Plus scheme is now fully affordable and all outputs and benefits will be realised.

Recommendations

4.126 The Combined Authority approves that:

- (i) The change request to approve £939,000 from the CRSTS Fund to progress the Thirsk Row works as part of the City Square Plus scheme to Activity 5 (Delivery), and to extend the delivery timescale to July 2023, is approved.
- (ii) The Combined Authority enters into an addendum to the existing Funding Agreement for the City Square Plus scheme with Leeds City Council for expenditure of up to £11,641,000.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances set out in this report.

5 Tackling the Climate Emergency implications

5.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

6 Inclusive Growth implications

6.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

7 Equality and Diversity implications

7.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

8 Financial implications

8.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

9 Legal implications

- 9.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

10 Staffing implications

- 10.1 A combination of Combined Authority and local partner council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

11 External consultees

- 11.1 Where applicable scheme promoters have been consulted on the content of this report.

12 Recommendations (Summary)

Transformational – North East Calderdale

- 12.1 The Combined Authority approves that:
- (i) The Transformational North East Calderdale scheme proceeds through decision point 2 (strategic outline case) and work commences on activity 3 (outline business case).
 - (ii) An indicative approval to the Combined Authority's contribution of £4,300,000. The total scheme value is £78.400,000 - £88,100,000
 - (iii) Development costs of £1,560,000 are approved in order to progress the scheme to decision point 3 (outline business case) taking the total scheme approval to £1,960,000.
 - (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Calderdale Council for expenditure of up to £1,960,000.
 - (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

CRSTS Asset Management and Enhancement

- 12.2 The Combined Authority approves that:
- (i) The CRSTS Asset Management and Enhancement Programme proceeds through decision point 2 and 4 and delivery continues until the end of quarter 1 of year 2023/24, and work commences on the development of the SOC for year 2.
 - (ii) An indicative approval to the total CRSTS Asset Management and Enhancement Programme value of £248,000,000 and to the total CRSTS Off Highway Walking and Cycling value of £3,440,000 for Off Highway Walking and Cycling is given.

- (iii) Approval to an additional £24,800,000 of development and delivery costs for quarter 3 and quarter 4 of the CRSTS Asset Management and Enhancement programme (year 1) is given to provide a total allocation of £49,600,000 for the 2022/23 financial year. For Off Highway Walking and Cycling approval to an additional £344,000 is given to provide a total allocation for the 2022/23 financial year of £688,800.
- (iv) Approval to £12,400,000 of development and delivery costs for quarter 1 for the 2023/24 financial year for the CRSTS Asset Management and Enhancement programme is given and approval to £172,000 of development and delivery costs for quarter 1 for the 2023/24 financial year for the CRSTS Off Highway Walking and Cycling.
- (v) The Combined Authority enters into addendums to the existing funding agreements with the partner councils of the apportioned £37,200,000 for Q3 and 4 2022/23 and Q1 of 2023/24 financial year for CRSTS Asset Management and Enhancement programme and £516,000 for 2022/23 and Q1 of 2023/24 financial year for CRSTS Off Highway Walking and Cycling, up to the amounts shown below:
 - Bradford - £7,906,412
 - Calderdale - £4,979,964
 - Kirklees - £7,767,932
 - Leeds - £11,375,332
 - Wakefield - £5,686,360
- (vi) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Transport Committee. This will be subject to the scheme remaining within the tolerances outlined in this report.

CRSTS Network Management and Enhancement

12.3 The Combined Authority approves that:

- (i) The CRSTS Network Management and Enhancement programme proceeds through Decision Point 2 and 4 and delivery continues until the end of quarter 1 of year 2023/24, and work commences on the development of the SOC for year 2.
- (ii) An indicative approval to the total CRSTS Network Management and Enhancement programme value of £25,000,000 is given.
- (iii) Approval to an additional £1,862,500 of development and delivery costs for quarter 3 and quarter 4 for the CRSTS Network Management and Enhancement programme (year 1) is given to provide a total allocation of £4,362,500 for the 2022/23 financial year.

- (iv) Approval to £931,250 of development and delivery costs for quarter 1 for the 2023/24 financial year for the CRSTS Network Management and Enhancement programme (Year 2) is given taking total approval up to £5,293,750.
- (v) The Combined Authority enters into addendums to the existing funding agreements with the five partner councils of the apportioned £2,793,750 for Q3 and 4 of 2022/23 and Q1 of 2023/24 financial year taking, up to the amounts shown below:
 - Bradford - £1,475,000
 - Calderdale - £280,000
 - Kirklees - £1,006,250
 - Leeds - £1,657,500
 - Wakefield - £ 875,000
- (vi) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances set out in this report.

CRSTS Safer Roads

12.4 The Combined Authority approves that:

- (i) The CRSTS Safer Roads Programme proceeds through Decision Point 2 and 4, and delivery continues until the end of quarter 1 of year 2023/24, and work commences on the development of the strategic outline case for Year 2.
- (ii) An indicative approval to the total CRSTS Safer Roads programme value of £25,000,000 is given.
- (iii) Approval to an additional £2,500,000 of development and delivery costs for quarter 3 and quarter 4 for the CRSTS Safer Roads programme (Year 1) is given to provide a total allocation of £5,000,000 for the 2022/23 financial year.
- (iv) Approval to £1,250,000 of development and delivery costs for quarter 1 for the 2023/24 financial (year 2) for the CRSTS Safer Roads programme (Year 2) is given taking total approval up to £6,250,000.
- (v) The Combined Authority enters into addendums to the existing funding agreements with the five partner councils for expenditure of the apportioned £3,750,000 for Q3 and 4 of the 2022/23 financial year and Q1 of the 2023/24 financial year, up to the amounts shown below:
 - Bradford: £866,250
 - Calderdale: £330,000
 - Kirklees: £693,750
 - Leeds: £1,297,500

- Wakefield: £562,500
- (vi) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances set out in this report.

City Square Plus – Thirsk Row

12.1 The Combined Authority approves that:

- (i) The change request to approve £939,000 from the CRSTS Fund to progress the Thirsk Row works as part of the City Square Plus scheme to Activity 5 (Delivery), and to extend the delivery timescale to July 2023, is approved.
- (ii) The Combined Authority enters into an addendum to the existing Funding Agreement for the City Square Plus scheme with Leeds City Council for expenditure of up to £11,641,000.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances set out in this report.

13 Background Documents

13.1 None as part of this report.

14 Appendices

Appendix 1 - Background to the Combined Authority's Assurance Framework

Appendix 2 - Asset Management and Enhancement Programme and Off Highway Walking and Cycling Network

Appendix 3 - Network Management Renewals and Enhancements

Appendix 4 - Safer Roads



Project Approvals

Appendix 1 - Assurance Framework

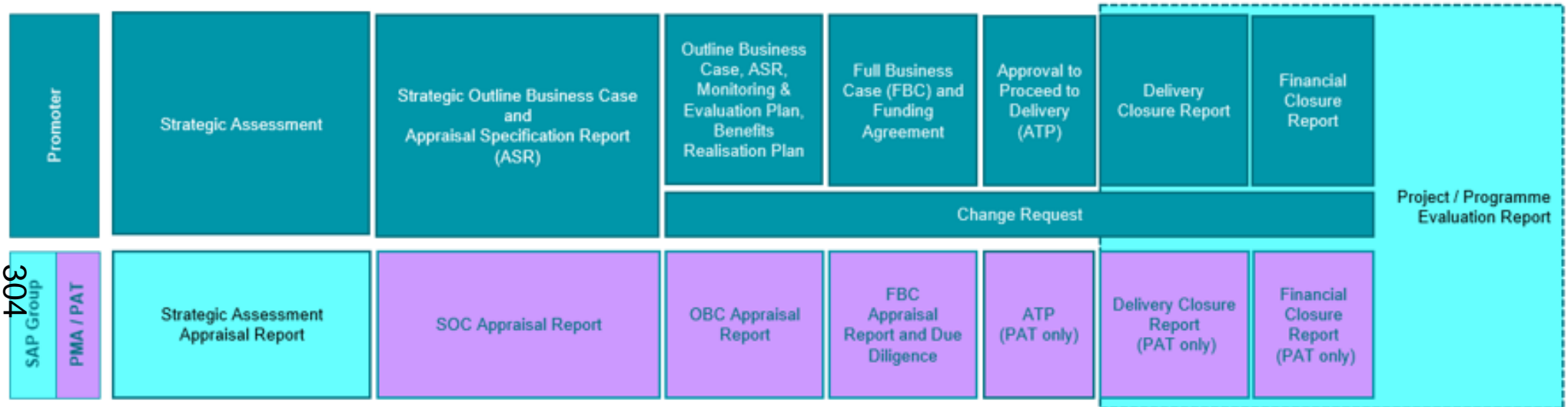
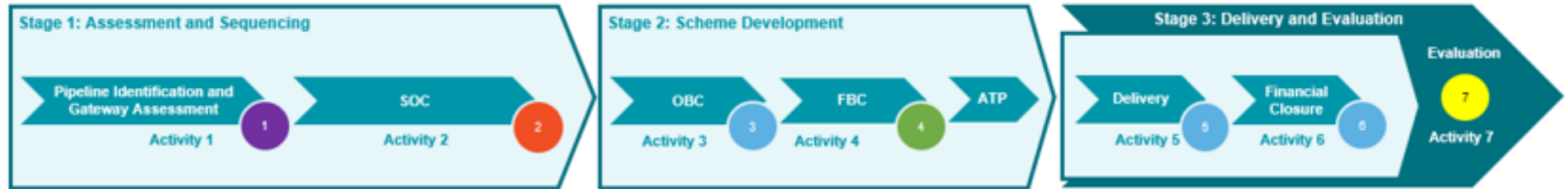
1 Assurance Framework

- 1.1 The Combined Authority's Assurance Framework was developed in 2015 as part of the Growth Deal with Government. Its purpose is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the Strategic Economic Framework (SEF) ambitions and the West Yorkshire Investment Strategy (WYIS).
- 1.2 The Framework's focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the Leeds Enterprise Partnership (LEP) and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded from Government or local sources that flow through the LEP and Combined Authority and must be reviewed annually, as stipulated by Government.

Assurance Process

- 1.3 The process is flexible, in that each project or programme will be set a bespoke approval pathway and approval route to be followed. This may be to delegate decisions to a Committee, Managing Director (MD) etc. or it may be that certain decision point (activity) approvals are not required, or that bid documents to other government departments can be utilised. Furthermore, development costs can be funded at decision point 1 and beyond.
- 1.4 Approval is required at Combined Authority (CA) for all programmes and projects at least once in their lifetime and this is usually at decision point 2 (Strategic Outline Case). The Assurance Pathway and Approval Route is also set at this point.
- 1.5 At FBC (Decision Point 4), the Programme Appraisal Team (PAT) sets conditions that must be met before full approval of funding is given and the project has Approval to Proceed to Delivery (Activity 5).
- 1.6 In line with the revised Green Book, in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of the project. This might for example include, but not limited to, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use and / or supporting / accelerating housing development. The specific approach will be determined on a programme by programme basis as funding and investment streams come forward.
- 1.7 The Assurance Process is set out below:

Assurance Process



KEY: ● Key Decision Point (CA Approval Required) ● Key Decision Point (Committee Approval may be required) ● Decision Point (Committee Approval may be required) ● Decision Point ● Reporting Point

Stage 1: Assessment and Sequencing

- 1.8 Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the West Yorkshire Investment Strategy (WYIS). Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (Decision Point 1).
- 1.9 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

Stage 2: Scheme Development

- 1.10 If approved the scheme will progress to OBC unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The economic case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (decision point 3) as set out in the approval pathway and route approved at decision point 2.
- 1.11 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.
- 1.12 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an

officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

- 1.13 A Single Stage Business Case, called Business Justification, has now been introduced for transport and non-transport projects that are either below £2,000,000, low complexity, low risk and / or not novel or contentious. Although this is a single stage approval, replacing decision point 2 (SOC), decision point 3 (OBC) and decision point 4 (FBC), the remainder of the assurance process must still be followed.

Stage 3: Delivery and Evaluation

- 1.14 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 1.15 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (decision point 5) as set out in the approval pathway and route approved at decision point 2.
- 1.16 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (decision point 6) as set out in the approval pathway and route approved at decision point 2.
- 1.17 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 1.18 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

2 Future assurance and approval route

- 2.1 The tables for each scheme in the main report outline the proposed assurance process and corresponding approval route for the scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route

indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

3 Tolerances

- 3.1 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to a Committee and/or the Combined Authority for further consideration.

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Project Overview

Project Title	CRSTS Asset Management and Enhancement Programme and Off Highway Walking and Cycling Network
Main Funding Programme	City Region Sustainable Transport Settlement (CRSTS)
Current Forecast Project cost	£248,000,000
Funding Applied for from the Combined Authority now	£37,716,000
Private sector funding amounts and sources	£0

Business Case Summary

Strategic Case

The highway network is central to the economic and social wellbeing of the West Yorkshire Region whether it is being used for journeys by bus, car, cycling or walking. Ensuring that it is maintained to a very good standard is essential and is an important part of the transport strategy and a legal requirement. The physical assets to be maintained within it include roads, footways, bridges, retaining walls, roads, pavements, street lighting, bollards, and gullies to drain surface water.

A poorly maintained highway network creates increased dangers for users, congestion and pollution caused by unplanned emergency repairs. Other problems include increased damage from the increasing number of extreme weather events such as the freeze thaw cycle which can rapidly increase the size of potholes and road surface damage, leading to increased problems for residents and higher levels of third-party claims against councils.

The CRSTS programme will fund long-term positive investments to maintain and enhance the different types of highway assets. Works will be prioritised through regular planned inspections to identify where the need is greatest and to see where the enhancements would provide the most benefit. Examples of this include providing drop kerbs during resurfacing) and new cycle and bus prioritisation when replacing signals at junctions

These investments will help to deliver the Mayor's pledges of supporting the levelling up of communities with the greatest needs, supporting businesses and working to reduce the carbon emissions of West Yorkshire.

This programme will also fund prioritised repairs and enhancements to the nearby Walking and Cycling network - more commonly known as the public rights of way network - through a separate funding allocation. This investment will make improvements to paths, cycleways and bridleways which connect communities together and provide safe routes to schools and other destinations.

Economic Case

This programme has been established by a process to identify and prioritise the most beneficial schemes across West Yorkshire undertaken jointly by the five council partners. This process ranks schemes by factors such as the importance of the road, the number of claims for incidents and injury in that place, its repair history, and the impact of the existing facilities on pedestrians and cyclists.

This scheme will improve journey times for road users, provide better safety due to even road surfaces and lead to fewer unplanned roadworks. These will result in better public health as a result of increased cycling and walking, as well as a more pleasant environment to do this in. Based on

the scale of benefits provided by similar schemes this scheme will deliver a high benefit cost ratio (BCR).

Commercial Case

These schemes will be delivered directly through the teams employed by the partner councils. Where works cannot be carried out by in-house teams, due to the level or work or the need for specialist teams, the five partner councils will jointly enter into short term contracts to achieve cost savings wherever possible. The partners already work closely together on procurement through the Yorkshire Highway Alliance. There are existing contracts and arrangements for selecting from a group of vetted contractors that have several years to run which will deliver much of this 5-year programme. Being able to plan work so far ahead will help consultants and delivery contractors to be reliable. The companies can have confidence to recruit and expand their permanent staff and offer apprenticeships to young people.

Financial Case

Funding for the entire programme will be from the Combined Authority's CRSTS funding settlement for the five partner councils of West Yorkshire. The distribution of funds between the councils has been agreed by the Yorkshire Highways Alliance Highways Infrastructure Asset Management Board and is based on the length of network each council has to maintain.

The full five-year fund is £248,000,000 for Asset Management and Enhancement, and £3,440,000 for the Off Highway Walking and Cycling network. This strategic outline case is for the delivery of the first year of the programme (2022/23), which has a total cost of £49,600,000 for Asset Management and Enhancement, and an additional £688,000 for Off Highway Walking and Cycling improvement.

The funding for quarter 1 and quarter 2 of 2022/23 was approved at the Combined Authority on 17 March 2022 and this strategic outline case is seeking approvals for £24,800,000 for the Highways Asset Programme and £344,000 for Off Highway Walking and Cycling for quarter 3 and quarter 4 of 2022/23.

The costs for the programme have been calculated using 2022 prices. Because of the high risk of scheme costs rising due to very high inflation, there is a risk fewer schemes in the programme may be delivered than first planned. If the removal of schemes is unavoidable, the decision will be based on the same prioritisation framework used to put the schemes in the programme originally.

Management Case

The programme is made up of a list of small schemes to be delivered through existing project management teams based within each council partner, with experience of delivering similar programmes. There is a senior responsible officer and programme manager from the Combined Authority who will oversee the programme with most of the delivery being managed by the project lead in each local authority's team. The project leads will also report on a regular basis to their council's chief officer through the relevant reporting structures up to cabinet level. The programme will also have oversight from the Yorkshire Highways Alliance Highways Infrastructure Asset Management Board.

The 5-year programme of works will be completed between April 2022 and March 2027.

Project Overview

Project Title	CRSTS Network Management and Enhancement Programme
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Main Funding Programme	City Region Sustainable Transport Settlements (CRSTS)
Current Forecast Project cost	£25,000,000
Funding Applied for from the Combined Authority now	£2,793,750
Private sector funding amounts and sources	N/A

Scheme Description

This scheme will maintain and upgrade essential traffic infrastructure, such as traffic signals and the means of controlling them. Improvements to this infrastructure will be made to enhance travel for all road users, including private cars, bus passengers, cyclists and pedestrians. These will include:

- Traffic signals and control equipment renewal across West Yorkshire.
- Enhancement of traffic signals, communications and technology to introduce more bus/cycle detection and improve signalled pedestrian crossing facilities.
- Incorporation of the latest advancements in artificial intelligence and control techniques to enhance pedestrian, cyclist and bus user experience.

Business Case Summary

Strategic Case

At the moment, the aging traffic facilities, such as traffic lights and crossings, as well as their control and communications infrastructure, causes delay and disruption in journey times. It is not currently attractive to travel by bus, to cycle or to walk. This scheme will address this by ensuring a resilient network that reduces congestion and carbon emissions. Improvements in journey times for all road users will enable better access for travelling to places of work, education and leisure with additional benefits going to buses passengers, cyclists and pedestrians.

The Strategic Economic Framework sets out the vision for the ongoing transformation of West Yorkshire, with the priorities including:

- Boosting productivity
- Enabling inclusive growth
- Tackling the climate emergency
- Delivering 21st century transport
- Securing money and powers

The age and obsolescence of West Yorkshire's traffic signals and supporting infrastructure affects each of the five districts.

This programme will improve the levels of service for pedestrians, cyclists and buses at junctions and crossings. The use of this innovative technology will result in reduced carbon emissions and will lower the number of signal failures.

Economic Case

The economic benefits of the programme include:

- Reductions in repair and maintenance costs, with between 800 and 1,000 fewer signal faults per year.
- Reductions in energy use of over 1,100,000 kWh per year, saving at least £332,000 per year in energy costs based on 2022 electricity prices.
- Reduction in greenhouse gas emissions of 232 tonnes of CO₂ per year. This provides benefits to society of £57,000 per year.
- Reductions in road delays due to signal failures.
- Improvements in journey times and reliability.
- Safety benefits due to improved pedestrian/cycling facilities and fewer signal failures.
- Health benefits from a shift to active travel.

Commercial Case

Frameworks are currently in place through which similar traffic signal renewal and enhancement schemes are already being delivered. These include the West Yorkshire Traffic Signal Maintenance Contract and the West Yorkshire Supply and Installation of Traffic Signal Equipment Contract.

One of the risks identified is insufficient capacity within contractors to deliver the programme. The use of existing frameworks mitigates this risk, making best use of the pre-existing relationship with the contractors. A five-year programme of CRSTS-funded works allows the five West Yorkshire local authority partners to discuss a large forward programme of work with contractor, providing contractors with more confidence to recruit and expand if needed.

Financial Case

Funding for the Network Management and Enhancement programme would be provided through the Combined Authority's CRSTS funding settlement to the five individual districts of West Yorkshire. The split between districts was based on the number of traffic control items within each district.

The costs for the CRSTS Network Management and Enhancement programme have been calculated for each Local Authority district separately over a 5-year period using 2022 prices. The full five-year allocation in CRSTS is for £25m. Year 1 of this programme (2022/23), has a total cost of £4.36m.

The funding for quarters 1 and 2 of 2022/23 were approved as part of the overall CRSTS Programme approval at the Combined Authority committee in March 2022. The approval for the remainder of 2022/23 funding is expected to be decided at the Combined Authority meeting in February 2023.

There are no third party funders. All funding is provided from the Combined Authority's CRSTS funding settlement.

Management Case

This programme of work comprises many smaller sub-schemes. These will be delivered through existing teams in each district with experience of delivering similar projects. The general approach is to deliver using existing management and governance structures.

Projects will report to a new urban traffic management and control (UTMC) Operational Board.

The five-year programme of works is being delivered between April 2022 and March 2027. An updated Strategic Outline Case will be submitted for assurance and approval annually. Each of the districts will have a project lead who will oversee delivery of their elements, with an overarching Project Manager to oversee delivery and manage the development of the Strategic Outline Case.

As there are many sub-schemes within the programme an overarching programme risk register is being actively managed throughout.

Project Overview

Project Title	CRSTS – Safer Roads
Main Funding Programme	City Region Sustainable Transport Settlement
Current Forecast Project cost	£25,000,000
Funding Applied for from the Combined Authority now	£3,750,000
Private sector funding amounts and sources	£0

Scheme Description

This scheme will improve road safety at targeted locations across the five districts within West Yorkshire. This will be done through a wide range of measures, including traffic calming, walking and cycle facilities, speed limit reductions and improved parking management.

The programme will reduce the number of Killed and Serious Injuries (KSIs) incidents and road risks that impact on productivity, social, public and business costs. This will boost accessibility by making it easier to use the transport network by helping to change perceptions and encouraging more cycling, walking and use of public transport, contributing to the decarbonisation of the transport network.

Business Case Summary

Strategic Case

In 2021, across West Yorkshire's roads, over 5,000 people were injured in collisions, with thousands of these seriously injured and 47 road users killed; almost half of which were pedestrians or cyclists.

The personal, social, and economic consequences of avoidable collisions form the basis for the West Yorkshire Transport Strategy's ambition to eradicate transport-related deaths. This 'Vision Zero' approach will also contribute to the West Yorkshire authorities' ambitions to improve air quality and achieve carbon neutral status.

Collisions affect not just the victims but their families, friends, and the wider community, with impacts that can be lifechanging and life-long. It is estimated that the annual cost to society of road collisions in West Yorkshire is approximately £441m per year.

Significant intervention is needed to change the current position and improve safety on roads across West Yorkshire. To achieve the casualty prevention target of zero Killed and Serious Injuries (KSI) by 2040, we would need to see 61 fewer people killed or seriously injured every year.

Casualties among the most vulnerable road user groups show only a slow rate of reduction over recent years. If those rates of reduction continue, West Yorkshire will not meet the 2027 reduction target set within the WY Transport Strategy.

Economic Case

It is anticipated that The Safer Roads programme will be assessed as very high value for money when assessed against the Department for Transport (DfT) value for money criteria. The assessment is based on comparator schemes and case studies such as those included in the (DfT's) Safer Roads Fund.

As a result of this the residents of West Yorkshire will benefit from:

- Reduced casualties, grief, loss of earnings and healthcare costs
- Reduced delays to road users from fewer collisions
- Health benefits and reduced healthcare costs due to an increase in active travel from fewer work days missed. Environmental benefits from less car use as more people are able to walk or cycle. This will lead to lower noise, better air quality and reductions in greenhouse gases
- Improved journey quality due to feelings of safety
- Improved access to employment and education

This programme will prioritise sites of strategic importance to each district. This includes low income communities and key public transport routes.

Commercial Case

These schemes will be delivered directly through the teams employed by the partner councils. Where works cannot be carried out by in house teams, due to the level or work or due to the need for specialist teams, the five partner councils will jointly enter into short term contracts to achieve cost savings wherever possible. The partners already work closely together on procurement through the Yorkshire Highway Alliance. There are existing contracts and arrangements for selecting from a group of vetted contractors that have several years to run and will deliver much of this 5-year programme. Being able to plan work so far ahead will help consultants and delivery contractors to be reliable.

Financial Case

The total programme fund is £25,000,000 and will come from the Combined Authority's City Region Sustainable Transport Settlement (CRSTS) fund over a five-year period with the funds allocated to each of the West Yorkshire districts based on the 2021 census population numbers.

This strategic outline case covers quarters 3 and 4 of the 2022/23 financial year, which is Year 1 of the overall programme. The total cost for Year 1 is £5,000,000 of which £2,500,000 (50%) has already been approved at Combined Authority committee in March 2022. This business case is seeking the approval of the remaining £2,500,000 for the rest of the 2022/23 financial year and an additional £1,250,000 for quarter 1 of 2023/24 financial year.

Management Case

The five West Yorkshire districts have experience of delivering similar safety projects with the proposed approach to delivery being to use existing management and governance structures within each district.

Each of the districts will have a project lead who will oversee delivery of the schemes in their area, with an overarching Project Manager to oversee delivery.

Project leads in each district will report on a regular basis to their Chief Officer through existing reporting structures. They will also be responsible for reporting to the Combined Authority on a quarterly basis. The West Yorkshire Safe Roads Steering Group will provide regular programme updates for the West Yorkshire Safe Roads Executive which will then be ratified at the Vision Zero Board.

The five-year programme of works is being delivered between April 2022 and March 2027. An updated Strategic Outline Case, for each financial year of the programme, will be submitted for appraisal and approval in accordance with the Combined Authority Assurance Framework. An overarching programme risk register was developed for this SOC and is to be updated for future SOC submissions.



Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **Governance Arrangements**

Director: Melanie Corcoran, Chief Operating Officer

Author: Angie Shearon, Governance Services Manager

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this Report

- 1.1 To consider a recommendation to appoint a non-voting advisory representative of the West Yorkshire Housing Partnership to the Climate, Energy and Environment Committee.
- 1.2 To consider a recommendation to appoint a non-voting advisory representative of the West Yorkshire Business Groups to the Business, Economy and Innovation Committee.
- 1.3 To consider a recommendation to appoint an Interim Director, Transport Policy and Delivery.
- 1.4 To consider a recommendation for the use of the Chief Executive's powers of delegation in cases of urgency.

2. Information

Appointment of Advisory Representatives

- 2.1 The Combined Authority is currently supported in its decision-making functions by a number of Committees. These Committees are comprised of voting local authority representatives together with non-voting private sector and advisory representatives who provide valuable expertise and knowledge in their

particular field. The Combined Authority are asked to approve changes in advisory membership as detailed below.

Climate, Energy and Environment Committee - Advisory Membership

- 2.2 The Interim LEP Chair, in consultation with the Deputy LEP Chair and lead director for the Climate, Energy and Environment Committee, have considered the merits of appointing a West Yorkshire Housing Partnership (WYHP) representative to the Climate, Energy and Environment Committee. The WYHP is made up of 11 housing associations and two stock holding Local Authorities. Collectively they own over 168,000 homes in the region. The West Yorkshire Housing Partnership have extensive knowledge and insight into social housing and have contributed to priority areas of the work of both the Combined Authority and LEP, most notably the decarbonisation of homes through the Social Housing Decarbonisation Fund and the Better Homes Hub regional programme. Social housing providers play a key role in engaging with communities and helping to develop the market and supply chain to retrofit at scale.
- 2.3 Retrofitting the region's homes is a key priority for the Climate, Energy and Environment Committee, the Combined Authority and the Mayor and this is reflected in the prioritisation of the Better Homes Hub programme which aims to ensure everyone in West Yorkshire can live in a warm, comfortable and low carbon home. In delivering the Better Homes Hub the expertise and knowledge of social housing providers will be critical in shaping and delivering the different elements of the programme.
- 2.4 With this in mind it is recommended that the Combined Authority approve the appointment of a non-voting advisory representative from the West Yorkshire Housing Partnership to the Climate, Energy and Environment Committee.

Business, Economy and Innovation Committee - Advisory Membership

- 2.5 A representative of the Chamber of Commerce has sat on the Business, Economy and Innovation Committee for a number of years, however with the retirement of the Chief Executive of the Chamber, it was considered important to review the appointment.

Business representative groups provide a valuable and significant voice for businesses within West Yorkshire, adding additional weight to the individual contributions of businesses on the Business, Economy & Innovation Committee. They also provide an important link into wider national policy and have extensive networks beyond West Yorkshire.

It is considered that to appoint a representative from the wider business representative groups (the Chamber of Commerce, Federation of Small Businesses and Confederation of British Industries) on a rotating brief will ensure all the different representative groups are able to contribute to the work of the Committee. This representative will also be the key link between the

Business Communications Group and the Committee and will ensure key issues are flagged across the different groups.

- 2.6 With this in mind it is recommended that the Combined Authority approve the appointment of a non-voting advisory representative of the West Yorkshire Business Groups to the Climate, Energy and Environment Committee.

Appointment of Interim Director, Transport Policy & Development

- 2.7 At its meeting on 8 December 2022, the Combined Authority considered and approved a number of Director appointments, relating to implementation of the organisation's new operating model. This included the appointment of Melanie Corcoran as Interim Chief Operating Officer, which leaves the substantive role of Director, Transport Policy & Delivery vacant.
- 2.8 As such, an internal competitive process was held for existing Heads of Service within the Combined Authority, and Dave Haskins (substantively the Head of Service for Transport Implementation) has been provisionally appointed on an interim basis, until such time as a permanent Chief Operating Officer is appointed. Approval is sought from the Combined Authority to this interim appointment.

Chief Executive Delegations

- 2.9 The Combined Authority has delegated decision making authority to its committees as set out in the relevant Terms of Reference. A risk has been identified that, due to matters outside the Authority's control, circumstances may arise whereby the committee meets but is not quorate and therefore cannot formally make a decision or indeed is unable to meet. To mitigate this risk, the Authority may wish to authorise the Chief Executive, in consultation with the Chair of the committee, to take decisions which are of an urgent nature and cannot wait until the next scheduled meeting.
- 2.10 This delegation would only be used as a last resort in exceptional circumstances, such as if a committee was inquorate, where the decisions were urgent and if such decisions could not be made by another committee in the necessary timeframe. Before exercising such delegation, the views of committee members would be sought either directly from the discussion at an 'inquorate' meeting or by email and the authority to take any necessary decision(s) would only be used if there was general support from members for the proposed decision(s).

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

5.1 There are no equality and diversity implications directly arising from this report.

6. Financial Implications

6.1 There are no financial implications directly arising from this report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Combined Authority considers the recommendation to appoint a non-voting advisory representative from West Yorkshire Housing Partnership to the Climate, Energy and Environment Committee.

10.2 That the Combined Authority considers the recommendation to appoint a non-voting advisory representative of the West Yorkshire Business Groups to the Business, Economy and Innovation Committee.

10.3 That the Combined Authority approve the appointment of Dave Haskins into the post of Interim Director, Transport Policy & Delivery until such time as a substantive Chief Operating Officer appointment is made.

10.4 That the Combined Authority authorise the Chief Executive to take decisions which would have been taken by a committee and where, for exceptional circumstances, that committee has been unable to meet, and the decisions are of an urgent nature and cannot wait until the next scheduled meeting.

10.5 That the Combined Authority authorise the Head of Legal & Governance Services to make such consequential amendments to the Authority's Constitution as are necessary.

11. Background Documents

8 December 2022 Combined Authority Report – Item 11 – [Director Roles and Appointments](#)

12. Appendices

None.

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Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **CoSTAR Innovation Hub**

Director: Phil Witcherley, Interim Director of Inclusive Economy, Skills and Culture

Author: James Briggs, Head of Commercial Development and Investment

Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	Paragraph 3
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 To give the Combined Authority an overview of an opportunity to bid for up to £51 million UK Research and Innovation (UKRI) funding to create a national innovation centre in the creative industries and seek the Combined Authority's approval to be a participant in the bid in order the national innovation hub be located at the Langthwaite Enterprise Zone, South Kirkby, which is owned by the Combined Authority.
- 1.2 To seek an initial release of funding in order to progress design and enabling works for the Langthwaite Enterprise Zone site.

2. Information

The Opportunity

- 2.1 There is an outstanding national competition headed by UKRI to fund (a) a national centre for the Convergent Screen Technologies and performance in Realtime (CoSTAR) and (b) production technologies. This opportunity has a funding package of £51m for a national centre and £12.5m for up to three regional centres.
- 2.2 Subject to approval by the Combined Authority, there is an opportunity to join a bid for the CoSTAR national centre. A successful bid will bring a national centre of innovation excellence in the creative sector to our region. This would lead to increased opportunity for people across West Yorkshire to pursue

careers and skills development in the culture sector and creative businesses. It is expected that the innovation hub would further the attraction of other creative industry participants to occupy its site and ultimately lead to increased inclusive economic growth in West Yorkshire.

- 2.3 The scheme will also support our regional growth ambitions for the creative industries in line with our recently agreed Culture, Heritage and Sport Framework. The creative industries are a growing sector in the region with almost 9,000 businesses, employing over 48,000 people and adding almost £2 billion to our regional economy, West Yorkshire's creative sector is one of the fastest growing in the UK.
- 2.4 The deadline for submission for an initial expression of interest is 2nd February 2023 and the award date is expected to be this August, with construction commencing soon after. Any participation will be subject to the project's progression through the Assurance Framework and all decisions will be finalised by the Combined Authority later in the year (but prior to the August confirmation).
- 2.5 Further details can be found in **Exempt Appendices 1-3**.

3. Tackling the Climate Emergency Implications

- 3.1 The development would need to be in line with the Combined Authority's objectives around the climate emergency. This is in line with the UKRI bidding process where they are looking for a building specification in line with environmental requirements.

4. Inclusive Growth Implications

- 4.1 If successful, the innovation hub is likely to have a positive impact on inclusive growth within the surrounding area of the site and the wider West Yorkshire region.

5. Equality and Diversity Implications

- 5.1 The final bid will be judged by its equality and diversity credentials having already been through a rigorous equality and diversity assessment conducted by UKRI. There is a focus in both our innovation and creative sector work in broadening the workforce in the sector and to provide opportunities for a diverse workforce. Any skills and employment approach aligned to a successful CoSTAR bid would need to ensure that there was support for a diverse range of talent to access the opportunities provided.

6. Financial Implications

- 6.1 The report seeks endorsement from the Combined Authority to make an appropriate investment to participate in the CoSTAR bid for a national R&D

centre, including utilising Growing Places Funding to support the opportunity. All financial decisions will be subject to approval of the project through the Assurance Framework.

- 6.2 The Growing Places Fund (GPF) began in 2012 offering loans to support projects that required additional capital funding to deliver jobs and economic growth and to unlock stalled developments post-recession, within a timescale of five years or less. The fund was open to all businesses and organisations of any size based in or looking to invest in the Leeds City Region. New activity with the Fund has been paused since 2020, whilst internal discussions took place on the potential development of a new loan fund. There is £1.988 million remaining capital funding within GPF and available for investment.
- 6.3 The LEP oversees the strategy for the Leeds City Region Enterprise Zones and was also the original recipient of the GPF funding. Informal discussions have taken place with the LEP Chair in respect of the reallocation of GPF funding for the Langthwaite Enterprise Zone site, in advance of the Combined Authority meeting.
- 6.4 BEIS have previously advised that the decision to re-allocate the remaining GPF can be determined at local level by the Accountable Body, providing the aims are broadly similar to those of the original GPF. In addition, as GPF came through a Section 31 grant determination, the Accountable Body / LEP will need to ensure that the funding is utilised in the manner stipulated in the grant determination and any specific conditions are adhered to e.g. Under the S31 capital grant determination, the funding allocations must be used for infrastructure to unlock further development. The use of the GPF for the Langthwaite site would therefore be in keeping with the S31 funding.
- 6.5 To ensure we develop this proposition at pace, it is also expected that external resources would need to be acquired including, but not limited to, programme management and additional legal support. To ensure this, approval is sought now for expenditure up to £250,000, to be funded from the Growing Places Fund residual capital.

7. Legal Implications

- 7.1 The information contained in Appendix 1, Appendix 2 and Appendix 3 is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information, as publication could prejudice current and future decision making.
- 7.2 Legal Implications are included in the exempt appendices and if the bid is successful, and the project is progressed through the AF process, these risks will be kept under review, managed and mitigated as far as possible during the progression of the scheme itself.

8. Staffing Implications

- 8.1 A combination of Combined Authority and potential partner project, programme and portfolio management resources are, or are in the process of, being identified and costed for to support the project detailed in this report.
- 8.2 To support the project there would be a significant utilisation of existing internal resources within the Combined Authority and a requirement for either repurposing existing work or additional capacity to undertake the required work. It is also expected that external resources would need to be acquired including, but not limited to, additional legal support.

9. Recommendations

- 9.1 That the Combined Authority approves the participation as a party in the CoSTAR bid and submission of the non-binding letter of support outlining the potential financial support the Combined Authority is providing to the bid (subject to full Combined Authority Agreement and Assurance) provided at Appendix 2.
- 9.2 That the Combined Authority approves the principles of the draft Memorandum of Understanding (to which the Combined Authority will be a signatory) outlined at Appendix 3. Both the letter of support and the Memorandum of Understanding would be in substantially the form attached and subject to further legal input.
- 9.3 That the Combined Authority agrees to release £250k in initial resourcing capacity to enter into this bidding process and to enable development of the Langthwaite site, funded through residual Growing Places Fund monies.
- 9.4 That the indicative funding package for Langthwaite enabling works as detailed in Appendix 1, para 5.1 is noted.

10. Background Documents

- 10.1 There are no background documents referenced in this report.

11. Appendices

- 11.1 Appendix 1, 2, 3 – Exempt Appendices

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Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **Minutes for Information**

Director: Melanie Corcoran – Interim Chief Operating Officer

Author: Ian Parr, Governance Services Officer

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide Members with details of the minutes of committees and panels, or notes of informal meetings of Members, that have been published on the West Yorkshire Combined Authority’s website since the last meeting.

2. Information

- 2.1 The following minutes and notes have been published on the West Yorkshire Combined Authority’s website and can be accessed [here](#):

- Climate, Energy and Environment Committee held on 4 October 22.
- Governance and Audit Committee held on 13 October 22.
- Business, Economy and Innovation Committee held on 19 October 22.
- Employment and Skills Committee held on 20 October 22.
- Culture, Heritage & Sport Committee held on 28 October 22.
- Place, Regeneration and Housing Committee held on 3 November 22.
- Transport/Infrastructure Scrutiny Committee held on 17 November 22.
- Transport Committee held on 18 November 22.
- Corporate Scrutiny Committee held on 18 November 22.

3. Tackling the Climate Emergency Implications

3.1 There are no implications directly arising from this report.

4. Inclusive Growth Implications

4.1 There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

5.1 There are no equality and diversity implications directly arising from this report.

6. Financial Implications

6.1 There are no financial implications directly arising from this report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the minutes and notes of the Combined Authority's committees and panels be noted.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.