

## **CORPORATE SCRUTINY COMMITTEE**

**MEETING TO BE HELD AT 10.00 AM ON FRIDAY, 20 JANUARY 2023  
IN CONFERENCE ROOM 1/2, WELLINGTON HOUSE, 40-50  
WELLINGTON STREET, LEEDS, LS1 2DE**

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### **A G E N D A**

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- 1. APOLOGIES FOR ABSENCE**  
To note apologies and confirm **the quorum of 11 members is met.**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE LAST MEETING HELD ON 18 NOVEMBER 2022**  
(Pages 1 - 6)
- 5. CHAIR'S COMMENTS AND UPDATE**
- 6. BUDGET, BUSINESS PLANNING AND WORKFORCE 2023/24**  
(Pages 7 - 46)
- 7. ASSURANCE FRAMEWORK UPDATE**  
(Pages 47 - 130)
- 8. CORPORATE SCRUTINY WORK PROGRAMME**  
(Pages 131 - 140)

**9. DATE OF THE NEXT MEETING - 10 MARCH 2023**

**Signed:**

A handwritten signature in black ink, consisting of the letters 'BSM' in a stylized, cursive font, with a horizontal line underneath.

**Managing Director  
West Yorkshire Combined Authority**

**Agenda Item 4**  
**MINUTES OF THE MEETING OF THE CORPORATE SCRUTINY COMMITTEE HELD ON FRIDAY 18 NOVEMBER 2022 AT COMMITTEE ROOM 1/2, WELLINGTON HOUSE, LEEDS**

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**Present:**

Councillor Peter Harrand (Chair)	Leeds City Council
Councillor Geoff Winnard (Deputy)	City of Bradford Council
Councillor Alun Griffiths	City of Bradford Council
Councillor Carol Thirkill	City of Bradford Council
Councillor Brenda Monteith	Calderdale Council
Councillor Mike Barnes	Calderdale Council
Councillor Paul Davies	Kirklees Council
Councillor Moses Crook	Kirklees Council
Councillor Susan Lee-Richards	Kirklees Council
Councillor Jane Dowson	Leeds City Council
Councillor Paul Wray	Leeds City Council
Councillor Samantha Harvey	Wakefield Council
Councillor David Jones	Wakefield Council

**In attendance:**

Mayor Tracy Brabin (Minute 6 only)	West Yorkshire Combined Authority
Hannah Scales	West Yorkshire Combined Authority
Ben Still (Minute 6 only)	West Yorkshire Combined Authority
Angela Taylor (Minute 6 only)	West Yorkshire Combined Authority

**1. Apologies for absence**

Apologies for absence were received from Councillors Betty Rhodes and Fiona Fitzpatrick.

The meeting was confirmed as quorate, with 13 members present out of 11 needed for quorum.

**2. Declarations of Disclosable Pecuniary Interests**

There were no declarations of disclosable pecuniary interests.

**3. Possible exclusion of the press and public**

There were no items requiring the exclusion of the press and public.

**4. Minutes of the last meeting held on 23 September 2022**

**Resolved:** That the minutes of the meeting held on 23 September 2022 be approved.

## 5. Chair's update and comments

The Committee was introduced by the Chair who reminded Members of the process and proceedings for the Mayor's Question Time.

**Resolved:** That the Chair's verbal update be noted.

## 6. Mayor's Question Time – Tracy Brabin

The Chair thanked the Mayor Tracy Brabin for attending Corporate Scrutiny to answer the Committee's questions. The session would be split into pre-agreed topic areas and members would be able to ask any questions under those topic areas, and any follow ups. The topic areas were broadly around *Mayoral Powers and partnerships, Impact of Inflation and budgets and the Mayor's Pledges on Equality, Diversity & Inclusion.*

### **Mayoral Powers and "trailblazers":**

- The Mayor wished to deepen devolved powers relating to skills, transport, climate, and culture.
- There were two "trailblazer" schemes taking place at the West Midlands and Greater Manchester combined authorities which sought to trial certain additional powers and funding models before potential rollout to other combined authorities.
- It is not currently known if previously promised planning powers would be part of this rollout and the future of fire authority devolution is also still in consideration.
- The importance of resourcing local authorities was emphasised, as the Mayor felt that the partnership could not be efficiently transformational when the five local authorities were facing financial and delivery challenges due to uncertainty and lack of long-term funding.

### **The M10 and soft power relationships:**

- The Mayor had been elected Chair of the M10 which, as a group, was an effective way to come together as one 'voice' speaking on areas of mutual interest such as bus service funding and HS2/northern powerhouse rail. There are preliminary plans to make the M10 a more formal body, but this is in its infancy.
- The Mayor hoped to deepen her profile as a spokeswoman for the West Yorkshire region, the M10 and globally. She recently completed a trade delegation to India, securing some agreements and investments. The Inward Investment teams were increasingly seeing a demand from other countries to directly engage with City Mayors and Regional Governates, instead of only going through national ministries.
- The Mayor had also been accepted onto the Bloomberg Mayors Project, consisting of mayors across the world, and is part of the project

the Mayor had been chosen to participate in a data track programme which aimed to deepen understanding of mass transit and bus reform.

- The Mayor continued to develop working relationships with Government Ministers, letters had been sent to new Ministers following the change in government – stability in ministers is welcomed after a period of changeover that was not ideal.
- All of these ‘soft power’ relationships and stakeholder engagement had benefited from the Mayor’s increasing profile among the public and the engagement strategy since her election.

### **Inflation, budgets, and mayoral precept and gainshare:**

- The Mayor acknowledged the strain on budgets and reminded members of the partner and business packages on offer.
- Budget forecasting was consistent with the Combined Authority’s Local Authority partners and is based on national projections on inflation and expected national spending freezes in some areas.
- The Director for Corporate and Commercial Services had mapped out the budgets going forwards and the Combined Authority is in the midst of a complete in-depth review of capital programmes and schemes to see where money could be saved.
- The current cost management process is to prioritise phases of certain schemes instead of cancelling anything – as it is important that strategically sound projects are retained, and that the authority has ‘shovel ready’ schemes which can be ready to go as soon as government announce funding.
- It is estimated that around £270m will be taken out of the overall £1.4bn transport capital programme.
- The Mayor did not intend on implementing an increase on the Mayoral Precept, which, in any case, can only be spent on transport and on a specified thing – due to expected rises in council tax.
- The Mayor has used Gainshare funds to support cost of living alleviation programmes. Addressing concerns around Gainshare which is supposed to be used as investments for economic growth, in the Mayor’s view, the economy cannot grow or be sustained if people are unable to buy the basics.
- Internal procurement and contracts were also under review to ensure that the authority was receiving value for money from suppliers contracted to deliver services and upcoming launch of a new internal corporate system is also expected to save money long term.

### **Equality, Diversity & Inclusion (EDI) and equity across the region:**

- The Golden thread running through the Mayor’s approach was equality, diversity, and inclusion. As part of this:

- The Combined Authority was in the process of recruiting an Inclusivity Champion, a specific individual with a managerial and health background to lead on diversity, inclusion, and equality across West Yorkshire.
- The Mayor was also keen to ensure that all parts of West Yorkshire benefit from combined authority activity and are represented in any profile building, trade delegations, inward investment queries and any services the authority provides.
- The Mayor considers “Levelling Up” locally as important as “Levelling Up” nationally. The council leaders were agreed in the need to promote the entire region as a whole, and often support each other in doing so, instead of just promoting their areas.

### **Strategic prioritisation and Mayor’s Pledges:**

- The Mayor told the Committee that all pledges held equal weight of importance in her view, however, some pledges had already been achieved and others are still in progress or face strategic challenges.
- In terms of achievement, the pledge for 1,000 well paid, skilled jobs for young people had been achieved and in response to the ‘put keeping women and girls safe at the heart of my policing plan’ pledge, 20 PCSOs had been placed in the bus network.
- The Mayor was hopeful that despite cost pressures, all 10 of her pledges would be addressed by the May 2024 election.
- Though commitments such as the one to tackle the climate emergency was harder than others, and £40 million had been allocated to the pledge – though more funding would be needed to achieve it.
- Local authorities also worked together to ensure that all priorities could be achieved, supporting each other’s strengths.
- Many schemes are jointly delivered with local authority partners, and everyone used each other’s existing community networks to deliver pledges.

**Resolved:** That the Mayor be thanked for attending and the Committee’s feedback and conclusions be considered further.

## **7. Corporate Scrutiny Work Programme 2022/23**

The Deputy Chair reminded members of the workshop to be held on 25 November at 2pm focusing on internal staff and workforce issues and plans. All members are invited to attend virtually. The Chair also reminded members of the budget workshop due to be held on 20 December at 11am, virtually, which all members are also invited to. The purpose of the workshops was to lay the groundwork for discussion of these topics at the next committee meeting on 20 January 2023.

**Resolved:** That the appended 2022/23 Work Programme be noted.

8. **Date of the next meeting – 20 January 2022**

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**Report to:** Corporate Scrutiny Committee

**Date:** 20 January 2023

**Subject:** **Budgets and workforce**

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**Director:** Angela Taylor, Director of Corporate & Commercial Services

**Author:** Angela Taylor

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## 1. Purpose of this report

- 1.1 To advise the Committee of the latest update on budget and business planning for 2023/24.
- 1.2 To advise the Committee of the conclusions of the workshop on workforce.

## 2. Information

### Background

- 2.1. A working group of the Corporate Scrutiny Committee met in December to consider the emerging position on the business plan priorities and the emerging budget that is required to support that delivery. A focussed session was also held on workforce, considering a range of matters affecting the whole employee cycle. This considered work underway on a range of issues and the plans for continual improvement to enable a fully skilled and flexible workforce to deliver for the Combined Authority. This paper provides updates to that work.

### Business planning

- 2.2. 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.
- 2.3. 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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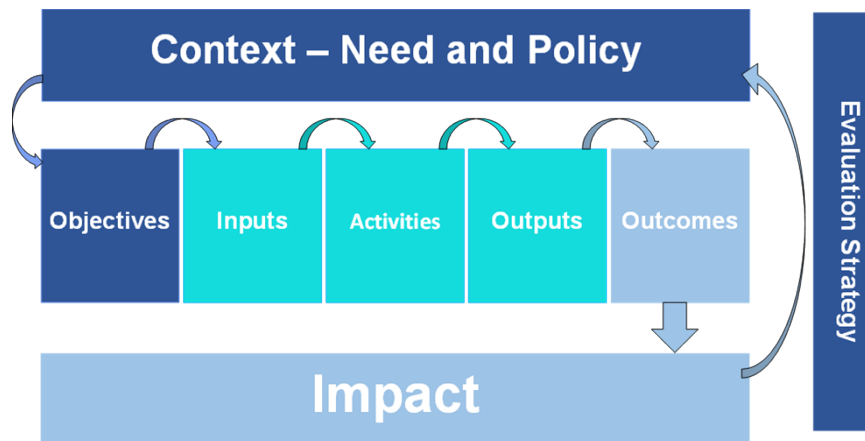
2.4. As the above priorities are underpinned by three cross-cutting aims listed below, so is the outcome led business plan. Directors and their teams have been asked to develop their activities and plan for delivery of outcomes with these themes running through them;

- Tackling the climate emergency;
- Growing an inclusive economy; and
- Embedding equality, diversity and inclusion.

2.5. 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.

2.6. 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**



2.7. 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.

- 2.8. Embedded in each directorate business plan and at a corporate level are the corporate equality, diversity and inclusion targets to be considered for approval at Strategic Leadership Board this month.
- 2.9. A summary document of the proposed 2023/24 Business Plans for consideration by the Committee can be found in **Appendix 1**. This summary document is a draft early proposition for the 2023/24 Business Plans. Further development of these plans is currently being carried out and will be submitted for final review and approval at the Combined Authority Meeting in February 2023.
- 2.10. 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.

### Budgets

- 2.11. Since the budget briefing in December work has continued to refine the proposals, review assumptions, as well as make any final changes required as a result of the feedback and input from members.
- 2.12. The overall approach and pressures on the budget have not changed since that workshop. In summary the key points to note are:
- 2.13. Work is concluding to enable **a balanced budget** to be brought forward. The summary position last month showed a budget gap of £462k (shown in **Appendix 2**) and it is expected that this will have been reduced down by the time of the decision paper in February, following a review of assumptions and forecast expenditure.
- 2.14. **Inflation** remains the key risk facing the Combined Authority. Despite these pressures, in recognition of the funding challenges facing local authorities, the Combined Authority is not seeking further funding from local authorities and is keeping the transport levy cash flat (this is a reduction in real terms).
- 2.15. Inflationary pressures are at their most severe on **bus tendered services**. It is intended to ringfence non recurring savings on concessionary travel achieved up to March 2023 to meet some of the expected additional costs next year. This will hopefully enable the continuation of existing services while further work is undertaken in the early part of the year to put bus tendered services on a more sustainable footing. This will include considering how the Bus Services Improvement Plan (BSIP) funding is deployed to support and enhance the existing network.
- 2.16. General **reserves** are being held at existing levels. 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 1** 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.

<b>Reserves Policy</b>	<b>Budget 2023-24 £m</b>	<b>Reserves 2023-24 £m</b>
<b>Risk on Concessions</b>	46.18	
5% contingency for volatility of payments and bus operator landscape risks		2.31
<b>Risk on Subsidised Bus services (gross)</b>	26.88	
10% contingency due to inflationary and market conditions due to Covid19		2.69
<b>Risk (general) on other areas of spend</b>		
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
<b>Other Risks 2023/24 (Covid19, cost of living crisis, operational matters)</b>		2.00
<b>Risk on income</b>		
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
<b>Total reserves required</b>		<b>13.02</b>

- 2.17. **Other reserves** include the West Yorkshire plus Transport Fund (WY+TF) reserve which 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 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.
- 2.18. The other usable and non usable reserves are set out below for information. The usable reserves are all for specific purposes, such as agreed capital projects while the unusable reserves represent a number of accounting entries required by statute.

#### Other Reserves

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

- 2.19. The **treasury management** strategy is being considered by the Governance and Audit Committee on 12 January before being recommended to the Combined Authority for approval along with the budget. It is included for information as **Appendix 3**.
- 2.20. The overall budget remains under pressure in **future years**. Work will continue work in 2023/24 to review all budgets against the new directorate structure, testing and challenging that all spend is clearly focussed on outcomes and identifying savings plans to balance the budget in subsequent years.

#### Workforce

- 2.21. The workshop held in December considered a range of topics relating to workforce, and information was shared on headcount, recruitment, internal promotions, attendance at job fairs, approach to diversity and inclusion in recruitment, the various strands of the 'perform and develop' activities and pay and reward.
- 2.22. Members made a number of observations and suggestions which the HR team are taking into consideration as part of their people strategy work. Their particular focus was on understanding the barriers to recruitment and the tactics used to extend reach and ensure potential applicants are aware of the wider benefits of working for the Combined Authority, noting the difficulties many public sector bodies are having in recruiting new talent. They were supportive of the activities in place, and the need to emphasise the full benefits package to applicants.
- 2.23. Members received assurances that the apprenticeship levy is being utilised, including the opportunity to fund higher level apprenticeships. They were keen to understand the data available on workforce, including the staff survey outcomes and the learning from exit interviews and it was acknowledged that when the new HR system comes online later this year that there will be much more data readily available.
- 2.24. The Committee is asked to consider if it wishes to see items on specific workforce issues on future agendas.

### **3. Tackling the Climate Emergency Implications**

3.1 The proposed business plans include actions to support climate change.

#### **4. Inclusive Growth Implications**

4.1 Furthering Inclusive Growth objectives is a core aim of the business plan, as are taking all opportunities to improve EDI outcomes for the organisation and for the delivery of its policies. This will be explicitly included in all business plans, in Directorate objectives, and in the KPIs. Corporate KPIs will include EDI targets and actions

#### **5. Financial Implications**

5.1 There are no financial implications directly arising from this report.

#### **6. Legal Implications**

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

#### **7. Staffing Implications**

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

#### **8. External Consultees**

8.1 No external consultations have been undertaken.

#### **9. Recommendations**

9.1 That the Committee considers the information provided on business planning, budgets and workforce.

#### **10. Background Documents**

None.

#### **11. Appendices**

Appendix 1 – Draft business plans

Appendix 2 – Draft budget position

Appendix 3 – Draft treasury management statement.



# December CA Mayoral Draft Business Planning 2023-24

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# Transport Policy and Delivery

## **Transport Implementation**

The team will continue to have a clear focus on delivering the £1.8 billion West Yorkshire Transport Fund and City Region Sustainable Transport Settlement portfolios, as well as wider activity in delivering active travel and LTP schemes. A number of schemes will be completing construction including White Rose Station, Halifax Bus Station, City Square closure (Leeds) and Steeton & Silsden Car Park extension – with a further tranche scheduled to be going into construction.

Wider activity will include ongoing strengthening of quality, EDI and carbon impacts as part of project development and delivery, with a particular emphasis on embedding these aspects through the pipeline and early project development phases. Further work around managing the impacts of inflation on programmes as well as pipeline development will also be key priorities

## **Transforming Cities Fund**

The team will continue to progress transformational projects that deliver priority improvements for bus, rail, cycling and walking. The £457m TCF programme covering Access to Places, Multi-modal Corridors and Hubs and Interchanges will see a number of key projects enter and continue through the delivery phase in the coming year.

The team will also be driving progress on the West Yorkshire Zero Emission Bus programme and we will see bus manufacture and charging infrastructure installation begin.

Whilst managing the CRSTS Safe Roads programme, we will also support the development and implementation of the West Yorkshire Vision Zero road safety strategy.

## **Transport Policy**

Over the next year, the team will continue to work in partnership with the district Authorities and delivery partners to develop the policies, strategies and transport schemes that will support the new Local Transport Plan and transport pipeline.

### **New Mayors Local Transport Plan and Transport Pipeline**

The Team will focus on progressing the new Local Transport Plan and supporting transport pipeline of schemes ready for adoption in March 2024. In partnership with the District Authorities, the team will establish a new Vision, Ambition and targets for transport in West Yorkshire, for delivery by 2040.

The Local Transport Plan will be supported by a series of new supplementary strategies and scheme pipelines, covering a number of thematic and modal areas, including, rail, Park and Ride, Walking and Cycling, Vehicle Technology (including an Electric Vehicle Strategy), Air Quality, Freight, Shared Transport and approach to the use of highway space.

*Subject to Revision*



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### **Rail Strategy**

The team will continue to work with Government, Transport for the North and Network Rail to support the case for development and delivery of Northern Powerhouse Rail, Transpennine Route Upgrade and enhancements to Leeds Station.

Working with Partners, the team will also focus on developing the next steps of the rail scheme pipeline for West Yorkshire.

### **Bus Service Improvement Plan and Bus Reform**

The team will further develop the proposals in the Bus Service Improvement Plan, including the Bus Network Plan, as part of the Local Transport Plan. The Bus Network Plan will build on the early deliverables to be funded by the Bus Service Improvement Plan and set out the priorities for further integration of the transport network to ensure the bus network provides connectivity and meets the vision set out in the Bus Service Improvement Plan.

The team will also continue to progress the assessment for Bus Reform. The assessment will be presented to the Combined Authority in June to enable an Audit followed by a consultation to enable a Mayoral decision on the outcome of the Bus Reform assessment to be taken in March 2024.

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# Transport Ops & Passenger Experience

## Passenger Experience

The Passenger Experience Team secure free and cheaper bus travel, provide the MCard range of tickets and deliver information services to enable people plan their journeys across the region.

In 2023/24 the team will deliver the initiatives established in the Bus Service Improvement Plan to encourage more people to travel by bus. The Team will seek to improve and modernise how the Combined Authority provides services to its customers and how we can make sure we are inclusive of the needs of our communities. Key projects for the team in 22/23 will be

- Develop the MCard Mobile app to be the “go-to” app for planning and paying for travel in West Yorkshire
- Enabling passengers to pay for travel using “tap on/ tap off” across all buses in the region.
- Improving the reliability and functionality of real time bus information enabling customers to see where their bus is on a mobile app

## Mobility Services

The Mobility Services team commissions socially necessary bus services, AccessBus and school transport. As part of its Bus Service Improvement Plan, the Combined Authority is reviewing the bus network and will commission new and changed bus services in response to community need. The team will monitor changes to commercial bus service provision and will seek to maintain community connectivity. Key projects for the team in 22/23 are

- Implementation of new and changed bus services as the first phase of the Bus Network Development Plan
- A full re-procurement of Combined Authority funded bus services
- Review and modernise the AccessBus and FlexiBus demand responsive transport services

## Assets Service

The Assets Team manage the Combined Authority’s property portfolio and operates the regions’ bus stations, interchanges, bus shelters and stops. The team will maintain and deliver the portfolio against the Authority’s Asset Development Plan with a particular focus on reducing carbon and energy consumption whilst making our facilities safer and more accessible. Key projects for the team in 22/23 will be

- Opening a new bus station in Halifax

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- Install solar panels at bus stations and bus shelters with the aim of making them carbon neutral bus stations and shelters
  - Strengthening the Safer Travel Partnership with West Yorkshire Police which deploys uniformed officers to support passengers to feel safe on public transport

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# Mass Transit

## Mass Transit

The Mass Transit team is a dedicated outcome-led team responsible for managing the development and delivery of the strategically important and transformational Mass Transit Programme for West Yorkshire.

In 2023/24 the Mass Transit team will manage the development of the business case workstreams to prepare the Strategic Outline Case for Phase 1 of the Mass Transit Programme and maintain the overall Programme-level Strategic Outline Case. In parallel with this they will manage the development of the Outline Business Case model build including the extensive data collection to provide a contemporaneous database for assessment. This will be supported by the concept design development of the potential route corridors and city-centre routes to inform the subsequent route selection and consultation processes.

These development workstreams will be progressed with the managed engagement of the District Partners working in collaboration with the Mass Transit team and supply chain partners to bring local delivery-led experience and technical stakeholder support. The Mass Transit team will continue to engage with the bus, rail and active travel teams and stakeholders to promote the integration of the Mass Transit Programme with the public transport networks, and with the wider initiatives on EDI, sustainability, climate change, and carbon reduction.

The Mass Transit team will continue to grow in capability and capacity to match the required roles and responsibilities of the Mass Transit Programme. This will be complemented by the development of tools, processes and procedures required to manage and control the Programme. This will in turn supports the enhanced governance processes and key strategies being developed for the Programme.

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# Inclusive Economy, Skills & Culture

## **Supporting Inclusion, Equality and Diversity**

The Enterprise WY programme will offer support to 500 start-ups and a more intensive package of bespoke support for a smaller number of innovative entrepreneurs from diverse backgrounds.

Adult Education Budgets will provide more support to BME, women and poorer learners. The Enterprise West Yorkshire programme will deliver employment support to 3,200 people, particularly to diverse and disadvantaged groups. Engagement with our network of over 185 schools and colleges will improve careers education and destinations of disadvantaged young people, particularly those with special educational needs and disabilities.

We will work alongside Leeds 2023 and Kirklees Year of Music with a focus of widening participation. We will also develop plans on social prescribing alongside the NHS to support our communities.

## **Tackling the Climate Emergency**

The new Business Sustainability Programme will support 150 SMEs with advice, guidance and funding on energy efficiency, sustainable and active travel, flood prevention measures and recycling.

The recommendations of the Mayor's Green Jobs Taskforce will be delivered to support our approach to tackling the climate emergency and ensure that 1,000 green jobs are created.

## **Ensuring businesses have access to the support they need**

The Business Support Service will support over 3,000 businesses in the year, half of which will access more intensive advice and funding. This will include a stronger focus on outreach activity with partners and communities to engage a more diverse range of SMEs. There will be work to explore how our approach better supports co-operative business and social enterprises.

As least 198 employers will be supported to build a talent pipeline and an inclusive workforce. New support for SMEs to recruit graduates will be developed. We will continue support for SMEs to recruit apprentices through levy transfer.

There will be three international trade and market focused initiatives assisting around 350 businesses to explore potential export opportunities. Regional businesses awareness of overseas market opportunities will be improved by generating 1,000 hits per month to the new West Yorkshire Trade portal.

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## **Supporting our learners to reach their potential**

61,900 adults will be provided the opportunity to gain basic skills for work, to upskill and re-train through strategic commissioning of £80m+ adult skills funding. The all-age careers platform will be developed and improved, helping people understand the career opportunities in West Yorkshire and routes to accessing them.

Measures will be developed to deliver the West Yorkshire Digital Skills Plan.

Stronger links will be built with Department for Work and Pensions and the Department for Education to influence national approaches. The authority will work closely with the new Local Skills Improvement Plan being delivered by the Chambers Of Commerce. A successor will be launched to West Yorkshire's ground-breaking delivery agreements with the seven FE colleges in West Yorkshire.

## **Attract Inward Investment to the Region**

Through our inward investment activity, 2,000 new and safeguarded jobs will be created by attracting around 30 new projects to the region. The Combined Authority will manage relationships with around 115 of the region's foreign owned businesses and seek to drive 10 new R&D partnership with regional universities. The Authority will further promote the region through a presence at UKREiiF in May 2023.

## **Promoting innovation and grow productivity**

The service will deliver the new WY Innovation Support programme, including a voucher scheme for 100 SMEs to support the development of new products and processes, the Mayor's Innovation prize and the third annual WY Innovation Festival.

The Business Productivity Programme will also be progressed, providing 100 SMEs across all sectors with advice and finding on how to embed lasting productivity improvements, and the manufacturing sector will also benefit from the Made Smarter regional programme to help 100 SMEs digitise their operations to improve efficiency and competitiveness.

The relationship with Innovate UK will be strengthened through developing a new Local Action Plan, building on the devolution deal commitment. This will drive increased Innovate UK investment in businesses in West Yorkshire. As convener of the regional Healthtech Cluster, we will drive investment into health innovation for the benefit of the economy and patient outcomes. The Authority will Support Space Hub Yorkshire in developing our regional space capability across innovation and R&D, digital transformation and investment.

## **Creative new deal**

On-going delivery of several initiatives to enhance the productivity of the regions creative industries base including an export support programme for 30 creative industries businesses, a targeted mentoring scheme to up-skill a cohort of 20 aspiring TV/Games executives. The Creative Catalyst scheme will also oversee the

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continuation of the Mayors Screen Diversity Programme – Beyond Brontës which delivers work placement opportunities to over 70 young people aged 18-30. The programme will also seek to generate a more vibrant and connected ecosystem by supporting creative groups and events which specifically engage with disadvantaged groups and underrepresented communities.

We will continue to deliver the creative new deal. This includes developing a package of skills and business support for the creative sector. We will also work closely with Bradford 2025 City of Culture, Culturedale 2024 and Wakefield 2024 to ensure their years of culture are a success.

### **Commercial Development & Investment**

Over the course of 2023-24 the Commercial Development and Investment department is going to:

- Continue to monitor the recently launched Foresight SME Investment Fund as it makes further investments in business within the region.
- Continued focus upon the Enterprise Zone sites to ensure optimum performance of the sites and to deliver long term business rates growth and associated investment and employment benefits.
- Working with internal and external teams to assist with the optimal outcome for the CA for projects with property related assets.
- Working with external stakeholders to deliver alternative funding solutions to provide
- Work with the Commercial Team to help deliver the vision of the Authority wide Commercialisation Project.

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# Policing Environment & Place

## **Economic Implementation**

The team will commence delivery activity in support of the Climate and Environment Plan, progressing key workstreams in Natural Flood Management and Flood Infrastructure as well as Solar. They will continue to lead on housing Retrofit activity, particularly with the West Yorkshire Housing Partnership through Social Housing Decarbonisation work and the Mayor's Retrofit Booster scheme, whilst commencing early feasibility work aligned to the Better Homes Hub. The team will continue to focus on enabling stalled housing sites to progress in the penultimate year for the Brownfield Housing Fund, supporting delivery of much needed homes and affordable housing in the region. The team will continue to support the British Library in its plans to establish a new physical presence in Leeds, together with conclusion of Superfast West Yorkshire and York including final closure of the programme with Building Digital UK.

## **Place and Environment Policy**

The focus of the place and environment policy team is policy and programme development to support sustainable growth, resilience and tackling the climate emergency. Our activity aims to accelerate delivery and improve the quality of infrastructure including housing, employment sites, digital, flood and energy. Our activity supports a cross-boundary and cross-policy approach to infrastructure planning and delivery, seeking opportunities for cost and efficiency savings. Our activity aims to influence government policy to the benefit of West Yorkshire, to secure additional government funding and to unlock commercial investment. We have a critical role to play in leveraging / mobilising private finance to support the regions infrastructure transition in the context of our 2038 net zero target (the finance required to deliver the 3-year West Yorkshire Climate and Environment Plan is up to £4.4billion). Programme and policy development priorities include building a 249million investment ready Capital Flood Programme, a 7.1million Natural Flood Management Programme, retrofit activity in West Yorkshire through our Better Homes Hub programme, maximising delivery of Project Gigabit broadband in West Yorkshire, creation of an investment ready Flexible Gigabit Grant Programme and implementing our Strategic Place Partnership with Homes England to unlock housing investment in West Yorkshire.



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## **Policing and Crime**

During 2023-24 the following strategies will be co-produced to support delivery against the Mayor's Police and Crime Plan: Safer Places and Thriving Communities (Place), Vulnerability and Safeguarding Strategy, Responding to Multiple and Complex Needs

The Mayor's Partnership Executive Group will be developed to give more strategic oversight of partner performance against the Police and Crime Plan. Scrutiny of West Yorkshire Police will continue through the Mayor's accountability structures, including quarterly reporting on performance against the performance framework set out in the Police and Crime Plan. The Mayor will set the police Council Tax Precept and will agree the police budget. The Mayor will continue to have oversight of the way that police complaints are dealt with and will continue to have responsibility for dealing with formal reviews of police complaints. The Mayor will publish an annual report

Joint work with partners will continue through the Local Criminal Justice Board, the Vision Zero Board, Community Safety Partnerships Forum and a range of local partnership boards some of which include: Victims and Witnesses, Mental Health, Modern Slavery, and six others.

The Mayor will continue to work with regional partners on tri-services provision and regional and organised crime governance. Work will continue with the Home Office and police forces and Police and Crime Commissioners/Mayors across England and Wales to agree a transition for the National Police Air Service (NPAS). A fleet replacement commission for NPAS will be agreed. The Mayor will continue to engage with West Yorkshire communities to inform a refresh of the Police and Crime Plan in early 2024.

The Mayor will commission services with Government funding of up to £15m for the period 22 – 25 including: Restorative Justice Service, Sexual Assault Referral Centre (regional provision), Domestic Abuse and Sexual Violence, Independent Domestic Violence Advisers and Independent Sexual Violence Advisers, Victims and Witnesses Support Service, Stalking Advocacy Service

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## Violence Reduction Unit

The West Yorkshire Violence Reduction Unit (VRU) has received £5.8m in 22/23 to continue its role to lead and coordinate the local response to serious violence. This is part of a three-year arrangement with indicative funding available during 2023/24 and 2024/25. The VRU team costs are affordable throughout the funding period.

As a condition of the funding received from the Home Office the VRU will produce an annual refreshed Needs Assessment and Response Strategy. The current documents can be found [here](#). We are in the process of producing a refresh of both which will be available end of this year and will drive/inform delivery 2023-24. The Response Strategy provides a framework for preventing and reducing serious violence. Informed by an evidence base, the strategy sets out The VRU's understanding of serious violence, local needs and how it will respond to this. From the priorities in the strategy, we will develop a new delivery plan which include programs and interventions. The team will also continue to evaluate all programs as per the home office requirement and will commission a number of research programs to inform our response.

We will deliver the response strategy 2023/24 in partnership and whilst we have flexibility to adopt a broader definition of serious violence, the focus cohort is young people under the age of 25. The Home Office have outlined three key success measures for VRUs which we will aim to achieve as part of our approach, all relate to young people:

- A reduction in hospital admissions for assaults with a knife or sharp object and especially among those victims aged under 25,
- A reduction in knife-enabled serious violence and especially among those victims aged under 25,
- A reduction in all non-domestic homicides and especially among those victims aged under 25 involving knives.

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# Strategy Comms & Intelligence

(Structure subject to review)

## **Strategy, Transformation & Corporate Policy**

We will create a new service to bring together our existing strategy team with corporate performance, in order to bring greater alignment to our external and internal planning and strategies. We will increase further our focus on Equality, Diversity and Inclusion, making progress towards the ambitious targets included within our Action Plan, and supporting the Mayor's Inclusivity Champion.

We will enter into negotiations with Government about further development of our devolution arrangements, following commitments made in the Levelling Up White Paper and Autumn Statement. We will continue to grow West Yorkshire's impact with Government through the promotion of the West Yorkshire Plan and the convening of partners around the Plan and the ambitious targets within it.

We will continue to support the Mayor and Leaders to make effective decisions about the deployment of funding across the West Yorkshire Investment Priorities, and the relative prioritisation of programmes that support our objectives. We will coordinate the delivery of the UK Shared Prosperity Fund, and continue to develop and deepen our partnership arrangements and relationships across the region.

## **Research & Intelligence**

Based on our existing resources and budget the Research and Intelligence team will continue to provide:

- As a top priority, the data collection and modelling to enable the businesses case for Mass Transit and Bus Reform to be developed. This will include model specification, sign-off and validation of model components (demand, highways and public transport); the integration of model data capture and surveys into the baseline Mass Transit model specification, and following sign off the model will be used to inform the business case.
- Ongoing primary research to support the CA's monitoring, reporting and advocacy in support of the cost of living and doing business.
- Monitor and evaluate major programmes including CRSTS, Transforming Cities Fund, and prepare for gateway review.
- Provide access to a number of key intelligence tools which are needed to support cost of living and doing business, State of the Region and annual LMI report.
- Resource, procure and manage key primary research which supports State of the Region and internal KPI monitoring – such as the West Yorkshire Business Survey – collecting key metrics for policy teams.
- Support the delivery of currently identified business plan outcome measures including the delivery of State of the Region 2023 and its supporting EDI companion document – both of these documents are central to corporate performance monitoring.

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## **Communications**

### **Completing the restructure**

Throughout 2022/23, work has been ongoing to build essential capacity, resilience, process and structure into the Communications department. This included a Peer Review from the LGA, which endorsed our existing plans for the development of the service and provided further support and challenge that will help us to develop and refine ways of working. There is still work to be done to refine structures, roles and responsibilities, identify funding and recruit throughout 2023/24, whilst ensuring value for money is provided.

Whilst work to secure posts is ongoing, structures and processes continue to be established and embedded to create efficiencies. A major focus will be the completion and rollout of the Communication strategy – a central approach with more detailed strategies for individual areas. This will be cleared by the Mayor and senior leadership, and will involve greater flexibility on the approaches and use of resource to support funded programmes, as we focus on outcomes and improving lives.

### **News and Media**

We are creating a new press office to replace the old external affairs function. This team will proactively promote the work of the Mayor and Combined Authority and respond to reactive media enquiries in a transparent and timely manner.

We will also transform our digital communications by focusing on the creation and delivery of high-quality, impactful content across all our digital and social channels.

Media engagement will be ramped up with a focus on high-quality news moments, building stronger relationships with key journalists to increase the Mayor's visibility nationally on key issues, being innovative and exploring new ways to reach our audiences, and by prioritising our press and social media work on specific campaigns aligned to the new communications strategy.

A crisis communications plan will be developed to support the organisation through such an event. And we will create a West Yorkshire narrative to help tell our story consistently and effectively across all press and media activity.

## **Marketing and Campaigns**

### **Communities, consultation and engagement**

Work to develop our inclusive approach will continue with wider tactics being used including use of digital / online engagement and more face to face activity, which is essential to reaching seldom heard groups.

Community engagement will ramp up with greater focus on building relationships with community groups in person and online and increasing engagement with young people. A citizen panel will also be explored.

### **Travel, transport and behaviour change**

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A cross cutting approach to travel and transport will be finalised for 2023/24, bringing teams together working to a single plan across active travel, transport marketing and strategic transport (including mass transit). Activity will refocus onto modal shift, emphasis benefits and be fronted by real life stories.

### **Economic growth**

The marketing and communications approach will continue to evolve as the new outcome led directorates are embedded into 2023. This will enable end to end storytelling and campaigning, with a focus on high-level messaging and conversion to product and service take up at the end of the funnel.

### **Climate, environment and place**

During 2023 we will establish a new team reflecting changing structures in the organisation. A business case for the Climate Action Plan comms approach will be concluded and launched.

We will continue to develop approaches to place and culture, heritage and sport as resource allows. Unless funding becomes available, this will continue to be delivered through press and online channels rather than campaigns, including our involvement in the Culture framework, Leeds 2023 and other cultural festival, plus telling the story of our successful economic regeneration.

### **Corporate communications**

- A refreshed approach to Colleague Communications will continue with a focus on engagement over broadcast. This will mean more in person activity, making Wellington House our home and revisiting opportunities with staff network groups.
- Our change programme will continue to be a key strand of communication including the evolution of intranet content and use.
- The brand review will be at rollout stage, supported by new guidelines, workshops, templates and assets. Workshops and roadshows will run throughout Q1 to embed a consistent approach and respect for our brand.
- Market research will be more visible, using Your Voice to give more people a chance to engage and to inform our audience understanding.

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# Finance & Commercial Services

(Structure subject to review)

## Commercial

Over the course of 2023-24 based on our existing resources and budget the Commercial team are going to produce:

- New policies and procedures reflecting updated public procurement law
- A minimum of 21 Strategic and 31 Operational procurements.
- Improved collaborative working across Anchor organisations in West Yorkshire.
- Sub-category procurement category strategies.
- An increase in social value commitments.
- An increase in local suppliers to the CA.
- Improvements in the benefits achieved through effective management of contracts.
- In support of the commercialisation project and alongside colleagues from across the organisation; delivery of the action plan, an upskilled and more resilient workforce and a training programme.
- Improved due diligence processes.

## Internal Audit

Over the course of 2023-24 and based on our existing resources and budget the Internal Audit team will produce the following outcomes:

- A risk based audit plan that ensures sufficient breadth and depth to provide the statutory requirement for an annual audit opinion to be included the Annual Governance Statement
- A plan of audits of both the Adult Education programme and the Adult Education training providers to ensure sign off of the annual assurance statement for the Department for Education
- Sign off and audit, where appropriate, of grant certifications whose funding agreements require these
- A programme of work in relation to Counter Fraud, Whistleblowing and Anti Money Laundering including investigations and support for the organisation with risk assessments, awareness raising and supporting documentation including reviews of all relevant policies
- A review of the audit universe for the CA including support for the development of an assurance map and accountability structure along with a review of the team structure and design
- Development of the data analytics capability in the team to support real time auditing
- Complete a self-assessment against the Public Sector Internal Audit Standards along with an updated Quality Improvement Plan in preparation for an external assessment in 2024

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- Provide a dedicated resource to support the development of the new Multiply programme

## **Finance**

During 2023/24 the finance team will introduce a new team structure which will support robust financial control, financial support for the organisation and provide improved information for decision makers. The team will build on the efficiencies and capabilities of the new integrated corporate systems and produce:

- Group consolidated statutory accounts in line with legislative requirements
- Budget proposals for 2024/25
- Robust in year budget management processes and reporting
- Streamlined treasury management support arrangements and enhanced reporting on this to Members
- Enhanced regular reporting packs of budget and funding information for decision makers
- Continued effective delivery of all core finance support functions including payroll, debtor and creditor management, banking and tax.
- Agile processes for managing funding through the Single Investment Fund, ensuring available funds are maximised to deliver the Combined Authority objectives.

## **ICT Services**

Over the course of 2023-24 based on existing resources and budget ICT Services will deliver:

- Digital transformation:
  - Migration of data and technology services to the Microsoft Cloud for best-in-class availability, mobility and stability.
  - A new call centre solution for improved public engagement.
  - The migration of remaining Skype for Business users to Microsoft Teams for better collaboration across the organisation.
  - The development of a new business to business customer relationship management system for Economic Services.
  - The implementation of a Data and Information Management Strategy.
  - Enhanced digital security operating 24/7 with external monitoring, staff training and stress testing of infrastructure.
  - The implementation of improved geographic information systems to deliver the recommendations of the Location Intelligence Strategy.
  - Rigorous and embedded disaster recovery processes.
  - Digitisation of existing manual processes to improve efficiencies.
  - Empowerment of staff to give more digital skills to stimulate creativity and innovation.

- 
- A new Corporate Technology Strategy.
  - Implementation of a new Microsoft Enterprise Agreement and maximisation of its benefits to the organisation
  - Management of modern, secure and reliable live technology services that remain operational within the hours covered by their SLA.
  - Management of a modern, secure and reliable development technology service to deliver new and enhanced internally produced solutions.
  - A high-quality customer centric ICT Service Desk responding to over 600 requests per month.
  - New Service & Operational Level Agreements to provide tailored technology services based on business need.
  - Support and technical management of the Yorkshire wide real time information system with operational improvements.
  - Collaboration with Communications to produce a new online website and social media strategy.
  - An annual technology accessibility review with implementation of recommendations.
  - Accreditation of Cyber Essentials Plus.



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# Chief Operating Officer

(Structure subject to review)

## Legal & Governance

The Service will support the progression or delivery of key projects across the Authority including: -

- Mass Transit and Bus Reform, Projects and programmes within the WY Plus Transport fund portfolio/CRSTS programme/delivery of LTP schemes and active travel/TCF/Carbon mitigation programme
- Flood resilience projects, Housing retrofit & Solar PV programme
- Brownfield Housing Fund
- British Library North
- Adult Education Budget and Business Support programmes

The Service will continue to support the Authority in relation to its land and property portfolio and will support the strategic evaluation of land and property in line with the Asset Development Plan

In relation to the Policing and Crime (PCC) functions held by the Mayor, the Service will:

- Support the further development of governance arrangements in respect of the Mayor's PCC functions and in particular advise and assist on the development of strategies and decisions taken by or under the delegated authority of the Mayor and advise and assist the Mayor on statutory responsibilities in relation to complaints.
- Support delivery of the Mayor's Police and Crime plan and the commissioning of targeted services.
- Represent the Mayor's interests as LLPB in the transition of NPAS to a new hosting arrangement

The Service will retain a key role in providing both proactive and reactive legal advice and support in relation to all regulatory and compliance matters including health & safety, employment and litigation, with priority to embedding the public sector equalities duty and supporting safeguarding arrangements.

The Service will continue to provide advice and support in relation to Information Governance, as well as the Authority's legal obligations in respect of data protection/GDPR and freedom of information/environmental regulation requests, ensuring the transparency and publication requirements for the Authority are effectively maintained – led by the Data Protection Officer.

The Service will maintain its oversight of the governance of the Authority under the lead of the Monitoring Officer and ensure effective, accountable and transparent decision making at both a political and officer level. This includes ensuring the Authority and its committees comply with the prescribed statutory framework and the associated ethical requirements and providing the role of Statutory Scrutiny Officer.

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Key activity will relate to the changes resulting from the organisational evolution programme at an officer level and the integration of the LEP Board into the Combined Authority at a political level.

The Service will continue to provide input in relation to national initiatives and negotiations (e.g. exploring opportunities for further devolution) and also at an organisation level (e.g. supporting the commercialisation of the Authority, the development of the Information Management Project and the EDI initiatives and action plan). The Service will also play a leading role on the lead up to the 2024 Mayoral election.

The Service will continue to build resilience to meet the organisation's needs, implementing a new Legal restructure, reviewing the Governance Services structure and implementing a new case management system.

## **HR**

Over the course of 2023-24 based on existing resources and budget HR will seek to progress and deliver :

- Renegotiation and implementation of revised Terms and Conditions of Employment
- A revised outcome based organisational structure including recruitment to senior roles
- Implement the new ICS system with a focus on the HR elements and reflecting the revised organisational structure, including the development of the talent and succession function
- Continue the work to support the organisation improve the profile of the workforce to better reflect the communities we serve, including reviewing our recruitment policies and practices and upskilling managers
- Completion of the 5 year Health and Safety strategy including the implementation of a Health and Safety Management System
- Progress the Learning and Development offer to the organisation via the appointment to the Learning and Development Partner role and a review of the function and outputs
- Deliver an annual Health and Wellbeing initiative across the organisation

## **Portfolio Management and Appraisal**

Over the course of 2023-24 based on our existing resources and budget PMA are going to produce:

- A revised Assurance Framework that builds on our existing exemplar AF by undertaking a peer review with other MCAs, that:
  - Incorporates emerging and current funding settlements and continue to introduce flexibilities in process.

- 
- Strengthens our approach to business case development in economic regeneration investment propositions including assessing value for money.
  - Strengthens the assessment of equality, diversity and inclusion and inclusive growth.
  - Embeds the assessment of carbon and wider climate change impacts into appraisals.
  - Working with Policy, projects and programme business cases from the IPs and CRSTS that are developed sufficiently and dealt with flexibly and pragmatically.
  - Working with the Evaluation team, monitoring and evaluation plans in all business cases
  - Improvements in the quality and consistency of programme and project appraisal to support effective decision making, including Appraisal Specification Reports (ASR).

## Find out more

[westyorks-ca.gov.uk](http://westyorks-ca.gov.uk)

### **West Yorkshire Combined Authority**

Wellington House

40-50 Wellington Street

Leeds

LS1 2DE

All information correct at time of writing

<b>West Yorkshire Combined Authority Revenue Budget</b>	<b>Total Budget 23/24 £</b>	<b>Indicative Budget 24/25 £</b>	<b>Indicative Budget 25/26 £</b>
Employee Costs	40,867,187	41,581,976	42,681,382
Indirect Employee Costs	2,237,912	2,227,649	2,267,649
Premises Costs	7,842,952	8,430,543	8,867,580
Supplies and Services	3,088,890	4,572,389	3,748,178
ICT Related Costs	3,699,421	3,951,934	3,996,454
Travel, Subsistence & Transport Costs	580,195	576,846	499,846
Tendered Services	38,589,200	40,518,660	42,544,593
Concessions	46,176,329	47,961,490	49,835,910
Prepaid Tickets Costs	22,000,000	22,000,000	25,000,000
Project costs	40,200,936	56,813,588	313,071
AEB Costs	71,816,746	71,816,746	71,816,746
Consultancy and Professional Services	1,613,345	4,242,457	3,512,677
Financing Charges	7,344,657	7,431,657	8,387,657
Other (indicative approval and saving targets)	- 2,500,000	- 3,000,000	- 3,000,000
<b>Total Expenditure</b>	<b>283,557,770</b>	<b>309,125,936</b>	<b>260,471,743</b>
Capitalisation / Internal Recharges	- 17,039,620	- 17,581,838	- 18,665,744
Income - Transport	- 37,340,003	- 37,948,899	- 41,563,706
Funding - Grants	- 50,094,675	- 67,123,721	- 9,375,368
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	- 21,480,971	- 18,147,036	- 12,296,266
<b>Total Income</b>	<b>- 290,092,015</b>	<b>- 304,938,240</b>	<b>- 246,037,830</b>
<b>Net Expenditure Total</b>	<b>- 6,534,245</b>	<b>4,187,696</b>	<b>14,433,913</b>
Adjust for non recurring income on investments to support capital programme	11,180,000	7,800,000	2,000,000
Adjust for transport reserve transfers out/(in)	- 4,177,000	- 1,018,000	
<b>Adjusted Net Expenditure Total</b>	<b>468,755</b>	<b>10,969,696</b>	<b>16,433,913</b>

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## Appendix 1 – 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.

<b>Total Loans outstanding at 01/4/2022</b>	<b>£m</b>
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)
<b>Anticipated loan outstanding at 31/03/2023:</b>	<b>148.8</b>
<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)
<b>Anticipated loans outstanding at 31/3/2024</b>	<b>148.2</b>
<b>Total Investments</b>	
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	122.5
Net of new Investment in year - Police Fund	25.8
<b>Anticipated CA General Fund investment placed at 31/03/2023</b>	<b>621.0</b>
<b>Anticipated Police Fund investment placed at 31/03/2023</b>	<b>109.8</b>

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.

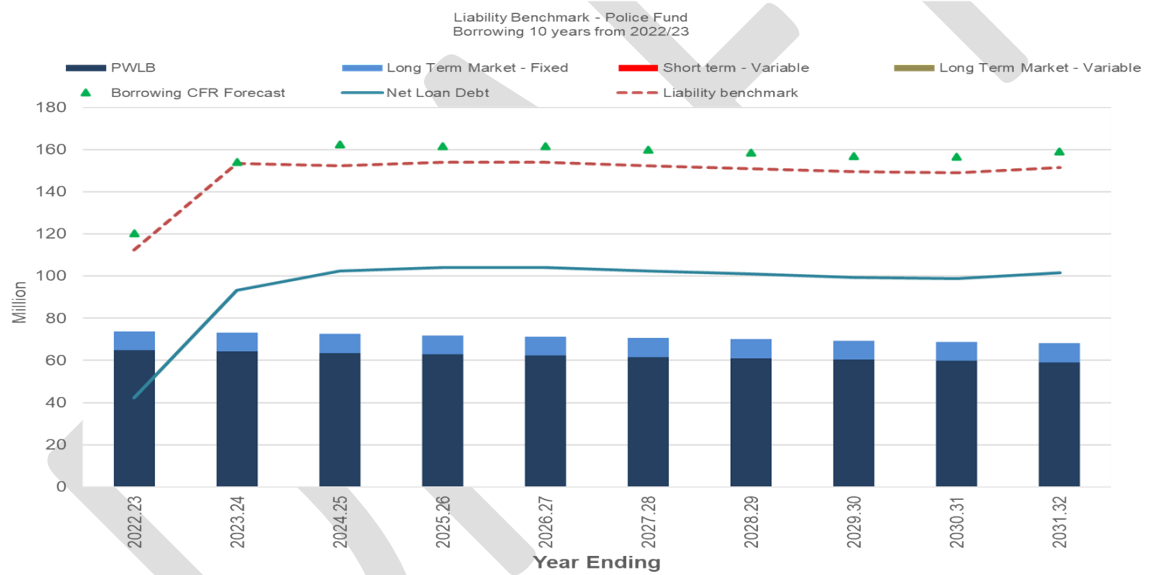
### **Minimum Revenue Provision (MRP) Policy Statement**

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	
<b>PRUDENTIAL CODE INDICATORS</b>						
<b>CAPITAL EXPENDITURE</b>						
<u>Estimate of Capital Expenditure</u>						
	WYCA - General	£k	231,890	421,366	438,615	317,201
	WYCA - Police Fund	£k	41,757	52,866	25,100	11,868
	<b>Total</b>	£k	<b>273,647</b>	<b>474,232</b>	<b>463,715</b>	<b>329,069</b>
<u>Capital Financing Requirement</u>						
<u>Borrowing</u>						
	WYCA - General	£k	100,188	116,280	152,756	218,016
	WYCA - Police Fund	£k	120,166	154,051	162,469	161,527
	<b>Sub Total Borrowing</b>	£k	<b>220,354</b>	<b>270,331</b>	<b>315,225</b>	<b>379,543</b>
<u>Other Long Term Liabilities</u>						
	WYCA - General	£k	0	0	0	0
	WYCA - Police Fund PFI	£k	81,883	79,326	76,100	72,598
	<b>Sub Total Other Long Term Liabilities</b>	£k	<b>81,883</b>	<b>79,326</b>	<b>76,100</b>	<b>72,598</b>
	<b>Total Capital Financing Requirement</b>	£k	<b>302,237</b>	<b>349,657</b>	<b>391,325</b>	<b>452,141</b>
<b>EXTERNAL DEBT</b>						
<u>Operational Boundary</u>						
	WYCA - General	£k	100,000	100,000	100,000	100,000
	WYCA - Police Fund (incl. Other LTL PFI)	£k	219,000	258,000	253,000	252,000
	<b>Total</b>	£k	<b>319,000</b>	<b>358,000</b>	<b>353,000</b>	<b>352,000</b>
<u>Authorised Limit</u>						
	WYCA - General	£k	229,000	282,000	345,000	318,000
	WYCA - Police Fund (incl. Other LTL PFI)	£k	269,000	275,000	261,000	259,000
	<b>Total</b>	£k	<b>498,000</b>	<b>557,000</b>	<b>606,000</b>	<b>577,000</b>
<u>Actual External Debt (year end Forecast)</u>						
WYCA - General						
	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
	<b>Total Gross External Debt</b>	£k	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>
	Other Long Term Liabilities	£k	0	0	0	0
	<b>Total Including OLTL</b>	£k	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>
WYCA - PCC						
	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
	<b>Total Gross External Debt</b>	£k	<b>73,776</b>	<b>73,146</b>	<b>72,516</b>	<b>71,886</b>
	Other Long Term Liabilities	£k	0	0	0	0
	<b>Total Including OLTL</b>	£k	<b>73,776</b>	<b>73,146</b>	<b>72,516</b>	<b>71,886</b>
<b>AFFORDABILITY</b>						
<u>Estimate of Financing Cost to Net revenue Stream</u>						
WYCA - General						
	Financing Cost	£k	7,045	7,134	6,798	6,993
	Net Revenue Stream	£k	98,375	103,533	102,269	101,127
	<b>Ratio</b>	%	<b>7.16%</b>	<b>6.89%</b>	<b>6.65%</b>	<b>6.92%</b>
WYCA - PCC						
	Financing Cost	£k	5,885	6,135	6,186	6,594
	Net Revenue Stream	£k	147,863	156,656	165,405	170,521
	<b>Ratio</b>	%	<b>3.98%</b>	<b>3.92%</b>	<b>3.74%</b>	<b>3.87%</b>
<b>INVESTMENTS - WYCA General Only</b>						
	<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%
<b>TREASURY MANAGEMENT CODE INDICATORS</b>						
	<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	
<u>Maturity Structure of Borrowing 2023/24</u>			31/03/2023	%	31/03/2023	%
	under 12 mths	Lower	-	0%	-	0%
	12 mths and within 24 mths	Upper	-	0%	-	0%
	24 mths and within 5 years		-	0%	-	0%
	5 years and within 10 years		-	0%	5	7%
	10 years and within 20 years		-		-	
	20 years and within 30 years		9		52	
	30 years and within 40 years		41	100%	-	93%
	40 years and within 50 years		15		17	
	50 years and above		10		-	
			75	100%	74	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







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**Report to:** Corporate Scrutiny Committee

**Date:** 20 January 2023

**Subject:** **Assurance Framework Annual Review**

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**Director:** Melanie Corcoran, Interim Chief Operating Officer

**Author:** Craig Taylor, Head of PMA

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## **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 For the Corporate Scrutiny Committee to provide feedback on the proposed revisions to the Leeds City Region Assurance Framework.

## **2 Information**

- 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.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 The Corporate Scrutiny Committee 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.
- 2.6 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.
- 2.7 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.
- 2.8 A copy of the latest draft Local Assurance Framework 2023 (with track changes) can 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.

2.9 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.

#### Proposed Peer Review

2.10 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.

2.11 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.
- PMA to report back their findings with recommendations so that decisions can be made as to what further work / changes are required.

2.12 It is difficult to predict what the review will recommend and therefore it is difficult to put a timescale on the review. However, it is unlikely that the review can be incorporated into the revised Assurance Framework on 28

February 2023 and therefore it is proposed the Assurance Framework will be further updated at the Combined Authority's annual meeting in June 2023.

### Next Steps

- 2.13 Following Corporate Scrutiny Committee and after 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.
- 2.14 The revised Assurance Framework will be reported to the Combined Authority for review and approval on 2 February 2023 with the request to delegate authority to the Combined Authority's Chief Executive in consultation with the LEP Chair and the Combined Authority Chair for final approval in case there are further changes that are needed prior to its publication.

## **3 Tackling the Climate Emergency Implications**

- 3.1 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.
- 3.2 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.
- 3.3 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.

## **4 Inclusive Growth Implications**

- 4.1 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.
- 4.2 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.

## **5 Equality and Diversity Implications**

- 5.1 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.

5.2 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.

5.3 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).

## **6 Financial 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 Legal Implications**

7.1 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.

## **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 and reflected in the Assurance Framework at this stage.

## **10 Recommendations**

10.1 The Corporate Scrutiny Committee are requested to:

- i) Provide feedback on the draft updated Local Assurance Framework document.
- ii) Endorse the changes that have been made to the Local Assurance Framework, as set out in this report.

## **11 Background Documents**

11.1 There are no background documents referenced in this report.

## **12 Appendices**

12.1 Appendix 1: Assurance Framework 2023.

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# West Yorkshire Combined Authority

## Assurance Framework

October 2022

# CONTENTS

1	Introduction .....	3
2	About West Yorkshire .....	5
3	Governance.....	10
4	Decision-making.....	15
5	Transparency and Accountability .....	18
6	Local Engagement and Partnership Working .....	27
7	Assurance Around Programme and Project Delivery .....	29
8	Monitoring and Evaluation .....	44
9	Appendices .....	48
	Appendix 1 – Mayoral Functions.....	48
	Appendix 2 – Accountable Body Arrangements.....	49
	Appendix 3 – Section 73 Chief Finance Officer – responsibility arrangements.....	53
	Appendix 4 – Governance arrangements.....	56
	Appendix 5 – Economic Services: approval arrangements.....	60
	Appendix 6 – Assurance process principles for ESIF Sustainable Urban Development (SUD) purposes .....	61
	Appendix 7 – Adult Education Budget and Multiply Local Investment Plan .....	66
10	GLOSSARY .....	72
11	Document control.....	77



# 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) ambitions<sup>1</sup>. 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 73<sup>2</sup> 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.

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

<sup>2</sup> 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)<sup>3</sup> 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.

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<sup>3</sup> 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**<sup>4, 5</sup>.

## 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

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

<sup>5</sup> 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 73<sup>6</sup> 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.

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<sup>6</sup> 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 21<sup>st</sup> 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.

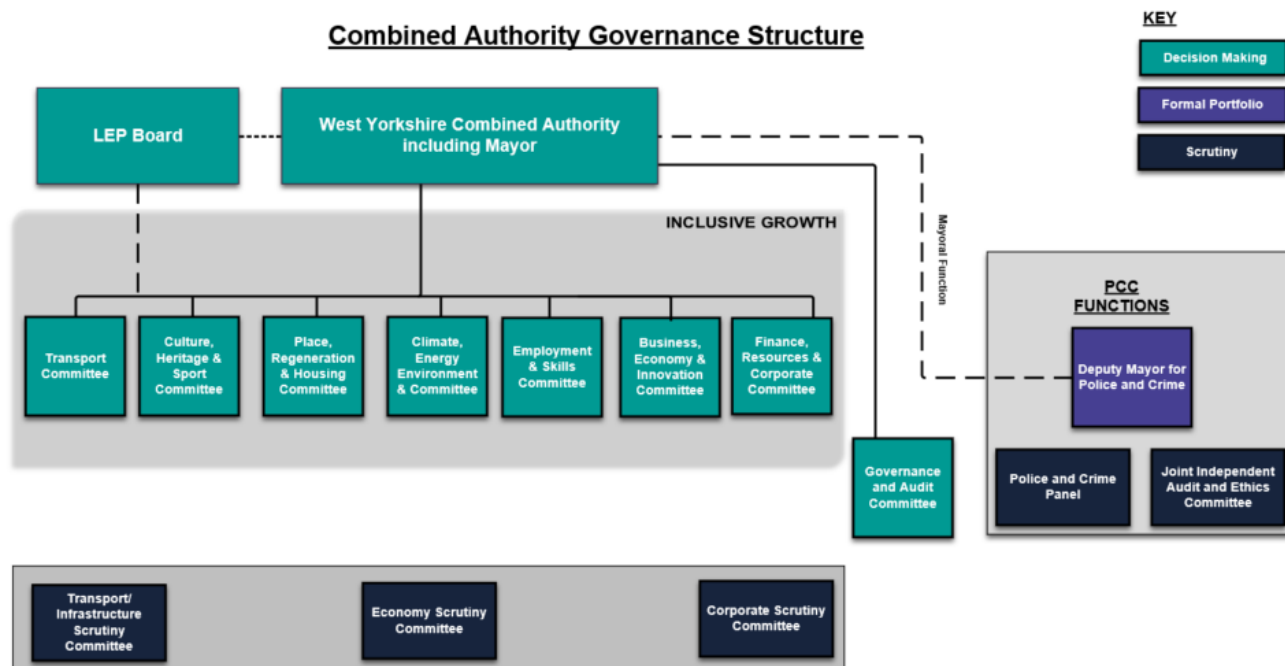
# 3 Governance

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 Board<sup>7</sup>, 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:

<b>Transport Committee</b>	<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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<sup>7</sup> 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 <a href="#">here</a>.</p>
<p><b>Culture, Heritage and Sport Committee</b></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 <a href="#">here</a></p>
<p><b>Place, Regeneration and Housing Committee</b></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 <a href="#">here</a>.</p>
<p><b>Climate, Energy and Environment Committee</b></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 <a href="#">here</a>.</p>

<p><b>Employment and Skills Committee</b></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 <a href="#">here</a>.</p>
<p><b>Business, Economy and Innovation Committee</b></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 <a href="#">here</a>.</p>
<p><b>Finances, Resources and Corporate Committee</b></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 <a href="#">here</a>.</p>

### 3.4 Other committees of the Combined Authority

The Combined Authority also has the following committees:

<p><b>Overview and Scrutiny Committees:</b></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><b>Transport/</b></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>

<b>Infrastructure Scrutiny Committee</b>	The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found <a href="#">here</a> .
<b>Economy Scrutiny Committee</b>	<p>This Overview and Scrutiny Committee is responsible for the scrutiny of any functions relating to:</p> <ul style="list-style-type: none"> <li>• business, economy, and innovation,</li> <li>• climate, energy, and the environment,</li> <li>• culture, heritage and sport industries, and</li> <li>• employment and skills,</li> </ul>
<b>Corporate Scrutiny Committee</b>	<p>The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found <a href="#">here</a>.</p> <p>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.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of this Overview and Scrutiny Committee can be found <a href="#">here</a>.</p>
<b>Governance and Audit Committee</b>	<p>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.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found <a href="#">here</a>.</p>

### 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 scheme<sup>8</sup> under the Assurance Framework<sup>9</sup> in accordance with any

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<sup>8</sup> Including determining change requests

<sup>9</sup> After decision point 2 (SOC) only

bespoke approval pathway and approval route for the scheme<sup>10</sup>, 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><b>Business Support Service</b></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 &amp; 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><b>Economic Services Loans &amp; Equity</b></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>

<sup>10</sup> 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.

	<p>£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.</p>
<p><b>Economic Services Grants</b></p>	<p>Arrangements in relation to economic services grants are set out in Appendix 5.</p>
<p><b>ESIF Sustainable Urban Development (SUD)</b></p>	<p>Arrangements relating to the principles for European Structural Investment Fund Sustainable Urban Development (SUD) purposes are set out in Appendix 6.</p>

## 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 regulation<sup>11</sup>. 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:

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<sup>11</sup> 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 Board<sup>12</sup>.

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.

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<sup>12</sup> 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 Rules<sup>6</sup>.

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 DPO<sup>13</sup> 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 Officer<sup>14</sup>, 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

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<sup>13</sup> The DPO sits within the Combined Authority's Legal and Governance Services team

<sup>14</sup> 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).

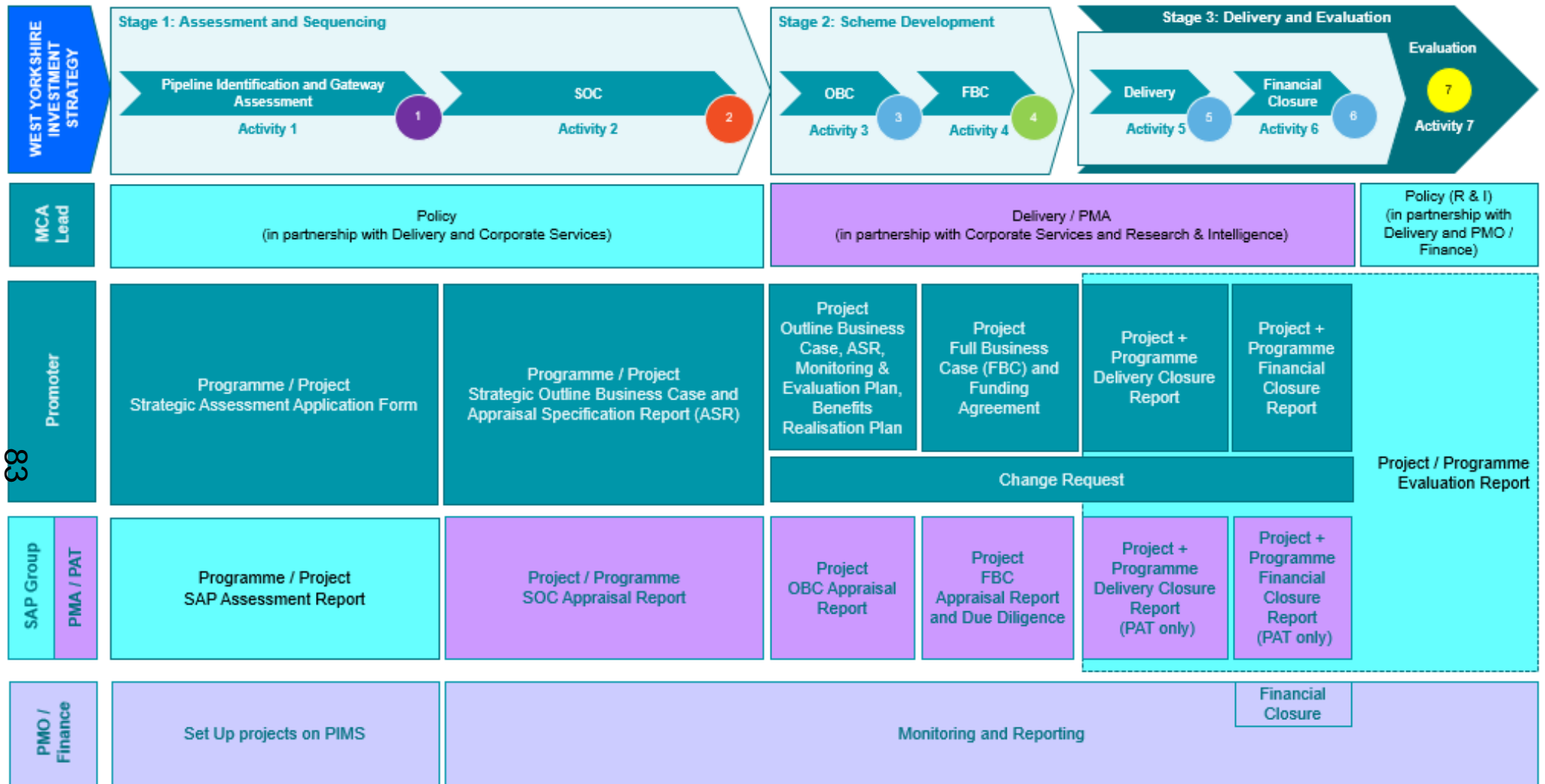
At the end of each activity, a scheme is required to go through a decision point (DP1 to DP6) or reporting point (DP7). It is here where a scheme is appraised using the HM Treasury 'five cases model'<sup>15</sup>. As such, scheme sponsors must demonstrate that a robust, accurate and compelling business 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)).

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<sup>15</sup> 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 a Monitoring Plan (formerly Benefits Realisation Plan) as part of

business case development. These should be drafted as part of activity 2 (SOC) , and refined as required through activity 3 (OBC) and finalised at the end of activity 4 (FBC). These should be linked to Evaluation Plan to ensure a joined-up approach to appraisal, monitoring, 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 expenditure, progress, risks and issues, as well as match funding, and this should be recorded separately.

## 8.2 Evaluation

Programmes and schemes funded by the Combined Authority and the LEP are required to have monitoring and evaluation plans as part of business case development. 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 objectives, and how we intended to measure 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)). 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 Outputs, Outcomes and Impacts from the Monitoring and Evaluation plans, will be used to assess the effectiveness of the public investment, and the extent to which schemes are contributing to the overall objectives of the Combined Authority and the LEP.

An Evaluation Strategy has 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. 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 recognises that it is locally owned, managed and draws on local systems; it will be proportionate and selective i.e. not everything will be evaluated). In section 1.3 – Designing Effective Evaluation, the Evaluation Strategy provides guidance on Evaluation, the Evaluation

Strategy working with LEPs and Government Government takes place to identify opportunities for thematic evaluations that could be conducted across key areas or centrally commissioned.

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 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 purposes<sup>16</sup>.
- 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.

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<sup>16</sup> 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 LEP<sup>17</sup>, 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-performance<sup>18</sup>.
- Risk management.

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<sup>17</sup> 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.

<sup>18</sup> 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 law<sup>19</sup> 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, 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.

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<sup>19</sup> 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 Board<sup>20</sup> 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

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<sup>20</sup> 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-thirds<sup>21</sup> of the members of the LEP Board<sup>22</sup> must be private sector representatives<sup>23</sup>.

The number of LEP Board members shall not exceed 20<sup>24</sup>, 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.

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<sup>21</sup> 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.

<sup>22</sup> 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

<sup>23</sup> 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.

<sup>24</sup> 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 entity<sup>25</sup> (“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

<sup>25</sup> 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 Criteria<sup>26</sup> 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

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<sup>26</sup> 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

	<b>Decision</b>	<b>Decision-maker</b>	<b>Rationale</b>
1	<p>To approve or vary the AEB Strategy as required, including:</p> <ul style="list-style-type: none"> <li>• Interim review 2021 (aligning to Mayoral priorities)</li> <li>• Refresh 2024</li> </ul> <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	To agree the governance arrangements for AEB or Multiply functions	Combined Authority	The Combined Authority is responsible for agreeing how its functions, including AEB functions, are discharged.
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 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 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"> <li>Planned responsiveness pot</li> <li>Refresh after 4 years</li> </ul> Bringing on new providers in light of provider base failure	> £1m – Chief Executive  < £1m – Director of Inclusive Economy, Skills & Culture  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 / 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 / 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, Skills & Culture / Head	Clear mechanism will be outlined in Contracts, Funding Agreements, and/or Performance Management Framework.

		of Employment and Skills	<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	Sub delegated from the Chief Executive to the Director of Inclusive Economy, Skills & Culture / Head of Employment and Skills	<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	Sub delegated from the Chief Executive to the Director of Inclusive Economy, Skills & Culture / Head of Employment and Skills	<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	Sub delegated from the Chief Executive to the Director of Inclusive Economy, Skills & Culture / Head of Employment and Skills	<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 requirements regarding subcontracting practice.</p>

			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 <a href="#">here</a> .	Sub delegated from the Chief Executive to the Director of Inclusive Economy, Skills & Culture / 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 / 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

<b>ASR</b>	<p><b>Appraisal Specification Report:</b></p> <p>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.</p>
<b>AST</b>	<p><b>Appraisal Summary Table:</b></p> <p>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.</p>
<b>BCG</b>	<p><b>Business Communications Group:</b></p> <p>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.</p>
<b>BCR</b>	<p><b>Benefit Cost Ratio:</b></p> <p>An indicator used in cost-benefit analysis that attempts to summarise the overall value for money of a project or proposal.</p>
<b>BEIS</b>	<p><b>Business, Energy and Industrial Strategy:</b></p> <p>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.</p>
<b>BGP</b>	<p><b>Business Growth Programme:</b></p> <p>The department for Business, Energy &amp; Industrial Strategy set up grants for businesses that meet certain requirements. Businesses can apply to the Leeds City Region LEP to obtain these grants.</p>
<b>CBA</b>	<p><b>Cost Benefit Analysis:</b></p> <p>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.</p>
<b>CEO</b>	<p><b>Chief Executive Officer:</b></p> <p>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.</p>
<b>CSF</b>	<p><b>Critical Success Factors:</b></p> <p>A management term for an element that is necessary for an organisation or project to achieve its goals.</p>
<b>DfT</b>	<p><b>Department for Transport:</b></p> <p>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.</p>
<b>DLUCH</b>	<p><b>The Department for Levelling Up, Housing and Communities:</b></p> <p>Formerly known as Ministry of Housing, Communities and Local Government (<b>MHCLG</b>). A ministerial department supported by 13</p>

	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.
<b>ERDF</b>	<b>European Regional Development Fund:</b> 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.
<b>ESIF</b>	<b>European Structural and Investment Funds:</b> Includes money from the European Social Fund, European Regional Development Fund and European Agricultural Fund for Rural Development.
<b>EU</b>	<b>European Union:</b> 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.
<b>EZ</b>	<b>Enterprise Zone:</b> 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.
<b>FBC</b>	<b>Full Business Case:</b> 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.
<b>GPF</b>	<b>Growing Places Fund:</b> 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.
<b>GVA</b>	<b>Gross Value Added:</b> 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.
<b>Green Book</b>	HM Treasury guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project.
<b>HE</b>	<b>Homes England:</b> 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.
<b>HMT</b>	<b>Her Majesty's Treasury:</b> 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.
<b>LCR</b>	<b>Leeds City Region:</b> A functional region around Leeds, West Yorkshire.
<b>LEP</b>	<b>Local Enterprise Partnership:</b> 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.
<b>LGF</b>	<b>Local Growth Fund:</b> Growth Deal funding provided to Local Enterprise Partnerships for schemes that benefit the local area and economy.
<b>LIS</b>	<b>Local Industrial Strategy:</b> 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.
<b>LVU</b>	<b>Land Value Uplift</b> 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.
<b>MCA</b>	<b>Mayoral Combined Authority:</b> 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.
<b>NPV</b>	<b>Net Present Value:</b> 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.
<b>Nolan Principles</b>	The seven principles of public life, which are the basis of the ethical standards expected of public office holders.
<b>OBC</b>	<b>Outline Business Case:</b> 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.
<b>Orange Book</b>	HM Treasury guidance for public sector bodies on risk management.



<b>PAT</b>	<b>Programme Appraisal Team:</b> 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.
<b>PCR</b>	<b>Project Closure Report:</b> 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.
<b>PIMS</b>	<b>Portfolio Information Management System:</b> A bespoke management system used to provide transparency, consistency, efficiency and focus on delivery.
<b>PMA</b>	<b>Portfolio Management and Appraisal Team:</b> 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
<b>QRA</b>	<b>Quantified Risk Assessment:</b> A structured approach to identifying and understanding the risks associated with hazardous activities. The assessment takes inventory of potential hazards, their likelihood and consequences.
<b>RAG</b>	<b>Red, Amber and Green rating:</b> Also known as the traffic light system and used as a visual cue to project performance.
<b>REM</b>	<b>Regional Econometric Model:</b> 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.
<b>SA</b>	<b>Strategic Assessment:</b> 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.
<b>SEP</b>	<b>Strategic Economic Plan:</b> 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.
<b>SEF</b>	<b>Strategic Economic Framework:</b> 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.
<b>SME</b>	<b>Small and Medium Enterprises:</b> 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).
<b>SOC</b>	<b>Strategic Outline Case (SOC)</b>

	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'
<b>SUD</b>	<b>Sustainable Urban Development (part of the ESIF programme):</b> 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.
<b>TfN</b>	<b>Transport for the North</b> A statutory sub-national transport body, which is a partnership of public and private sector representatives working with <a href="#">central Government</a> and national transport bodies to develop and deliver strategic <a href="#">transport infrastructure</a> across the <a href="#">North of England</a> .
<b>UDM</b>	<b>Urban Dynamic Model:</b> 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.
<b>VfM</b>	<b>Value for Money:</b> The most advantageous combination of cost, quality and sustainability to meet customer requirements.
<b>TAG</b>	<b>Web-based Transport Appraisal Guidance:</b> 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.
<b>West Yorkshire Transport Levy</b>	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	
<b>Year:</b>	2023-24
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**Report to:** Corporate Scrutiny Committee

**Date:** 20 January 2023

**Subject:** **Corporate Scrutiny Work Programme 2022/23**

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**Director:** Angela Taylor, Director of Corporate & Commercial Services

**Author:** Hannah Scales, Scrutiny Support Officer

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## **1. Purpose of this report**

- 1.1 To note the Corporate Scrutiny Work Programme for 2022/23.
- 1.2 To consider any additional agenda items, formal referrals to scrutiny, reviews, call in, and any other tasks, issues or matters the Committee resolves to undertake or consider further.

## **2. Information**

### **Corporate Scrutiny Work Programme 2022/23**

- 2.1 The Work Programme (**Appendix 1**) is set at the beginning of the year and considered at each meeting where it can be amended and changed as the year progresses. It outlines the work the Corporate Scrutiny Committee has agreed to undertake, investigate, and focus on in the municipal year (June 2022 – June 2023) within the resources, remit, and powers available.

### **Referrals to scrutiny**

- 2.2 Under Scrutiny Standing Order 7, any Scrutiny Member, any Combined Authority Member or any elected Member of a West Yorkshire council (or the City of York Council) may formally refer a matter to the Committee for consideration. The referral must be in writing to the Statutory Scrutiny Officer. The Committee must then consider and discuss the referral and respond to the referrer explaining whether or not it will consider the matter further and why.
- 2.3 There are no formal referrals for this committee to consider.

### **Key decisions and call in**

- 2.4 Scrutiny members may call in any decision of the Mayor, Combined Authority, a decision-making committee and any key decisions taken by an officer (with the exception of urgent decisions). Key decisions are defined as any decision incurring a financial cost or saving of £1 million or more, or a decision likely to have a significant effect on two or more wards.
- 2.5 Decision-makers have two days to publish notice of a decision, at which point scrutiny members have five working days to call in the decision, delaying its implementation, and formally requiring the decision maker to reconsider.
- 2.6 Any five members of a scrutiny Committee – including at least one member from two different constituent councils (West Yorkshire) – may call-in a decision by notifying the Statutory Scrutiny Officer in writing by 4.00 pm on the fifth working day following publication of a decision notice. The relevant scrutiny committee then has 14 days to scrutinise the decision and make recommendations. Further information is set out in Scrutiny Standing Order 14.
- 2.7 The latest key decisions and forward plans of key decisions are published and available for viewing on the [key decisions section of the Combined Authority's website](#).

### **Membership**

- 2.8 There have been no changes in membership since the last meeting.

### **Actions for Scrutiny Officers**

- 2.9 As outlined in Scrutiny Standing Order 17, scrutiny officers provide support to a scrutiny committee's work programme and all scrutiny members in exercising their scrutiny duties and fulfilling their objectives.

## **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. Financial Implications**

- 5.1 There are no financial implications directly arising from this report.

## **6. Legal Implications**

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

## **7. Staffing Implications**

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

**8. External Consultees**

8.1 No external consultations have been undertaken.

**9. Recommendations**

9.1 To note or amend the Corporate Scrutiny Work Programme for 2022/23.

**10. Background Documents**

[Key Decision Forward Plans – 2022/23](#)

**11. Appendices**

Appendix 1 – Joint Scrutiny Work Programme 2022/23

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## Scrutiny Work Programmes 2022/23

### Summary of main topics and meeting dates

Committee	Topic areas	Meetings
<b>Corporate</b>	<ul style="list-style-type: none"> <li>• Inflation, Budget and Gainshare</li> <li>• Assurance Framework</li> <li>• Staffing (incl recruitment &amp; retention)</li> <li>• Accommodation and other corporate projects (incl ICS, Cyber Security, social value in procurement)</li> </ul>	<ul style="list-style-type: none"> <li>• 23 September 2022</li> <li>• 18 November 2022 (Mayors Question Time)</li> <li>• 20 January 2023</li> <li>• 10 March 2023</li> </ul>
<b>Transport &amp; Infrastructure</b>	<ul style="list-style-type: none"> <li>• Bus Service Improvement Plan (BSIP)</li> <li>• Active Travel</li> <li>• Decarbonisation and Behaviour Change</li> <li>• Freight, Waterways &amp; Rail</li> <li>• Consultation and Planning</li> </ul>	<ul style="list-style-type: none"> <li>• 22 September 2022</li> <li>• 17 November 2022</li> <li>• 19 January 2023 (Mayors Question Time)</li> <li>• 9 March 2023</li> </ul>
<b>Economy</b>	<ul style="list-style-type: none"> <li>• The state of the region's economy</li> <li>• Cost of Living crisis</li> <li>• Skills and the Adult Education Budget</li> </ul>	<ul style="list-style-type: none"> <li>• 21 September 2022</li> <li>• 16 November 2022</li> <li>• 18 January 2023</li> <li>• 15 March 2023 (Mayors Question Time)</li> </ul>
<i>All Committees</i>	<ul style="list-style-type: none"> <li>• Mayors Pledges</li> <li>• Work Programme</li> </ul>	

## Corporate Scrutiny Committee

Meetings	Topics	Attendees	Objectives
23 September 2022	<b>Inflation &amp; Budgets</b>	<i>Director of Corporate</i>	Discuss the impact of inflation on strategy, projects and finances and what plans and measures are in place to mitigate the issue.
	<b>Update – Social Value in Procurement</b>	<i>Head of Procurement</i>	Update (from March 2022 meeting): to better understand the principles, practice and examples of social value in procurement and suppliers.
18 November 2022	<b>Mayor’s Question Time</b>	<i>Mayor Tracy Brabin &amp; Chief Executive</i>	Question the Mayor on matters pertaining to corporate scrutiny since her last attendance in November 2021.
20 January 2023	<b>Budget, Business Planning And Workforce 2023/24</b>	<i>Director of Corporate Director of Delivery</i>	Expand on the discussion at the November 2022 Workshop. Scrutinise the draft budget 2023/24, especially with regards to risk management, safeguards and ‘Plan Bs’ with regards to expected inflation and economic conditions.
	<b>Update - Assurance Framework</b>	<i>Head of Portfolio Management</i>	Consider changes to the Assurance Framework during its annual review, especially with regards to current economic pressures on capital projects.
10 March 2023	<b>Wellington House Refurbishment Project</b>	<i>Director of Corporate Director of Delivery</i>	Using the accommodation project as a case study into the authority’s project management performance and principles – and consider whether the project achieved its goals, added value and performed well.
	<b>Update – Integrated Corporate System</b>	<i>Director of Corporate Director of Delivery</i>	Update (from March 2022): on project development and progress
	<b>Update – Cyber Security</b>	<i>Head of ICT</i>	Update (from March 2022): on developments and progress
<b>Workshops (dates TBC)</b>	<b>Workforce and staffing</b>	<i>Head of HR</i>	Receive update on staffing issues since March 2022 and determine scope of January 2023 meeting’s discussion.
	<b>Budget and Gainshare</b>	<i>Head of Finance</i>	Consider budget 23/24 and Gainshare plans – with particular attention to inflation and economic conditions and risk management.

## Transport & Infrastructure Scrutiny Committee

Meetings	Topics	Attendees	Objectives
22 September 2022	<b>Update – Bus Service Improvement Plan</b>  <i>(with focus on real time information)</i>	<i>Director of Transport Operations and Passenger Experience &amp; RTI System Manager</i> --- <i>Dr Ben Hanson, Leeds University</i>	Monitor progress of Bus Service Improvement Plan (since November 2021) with particular attention to Flexi Bus Scheme and Real Time Information systems.
17 November 2022	<b>Decarbonisation</b>	<i>Director of Transport Operations and Passenger Experience &amp; Head of Transport Policy</i> <i>Poss: Delivery, Strategy officers</i> --- <i>Mott Macdonald report authors</i>	Understand and identify <ol style="list-style-type: none"> <li>1. issues raised in the Mott Macdonald report and what has changed since, in terms of actions and strategies.</li> <li>2. CA's direct purview/control and what can it influence indirectly.</li> <li>3. possible solutions, including strategic gaps in CA decarbonisation activity e.g. waterways and inland ports, rail freight, PLVs/e-bikes, motorbikes, etc.</li> </ol>
19 January 2023	<b>Mayor's Question Time</b>	<i>Mayor Tracy Brabin &amp; Chief Executive</i>	Question the Mayor on matters pertaining to transport and infrastructure scrutiny since her last attendance in January 2022.
9 March 2023	<b>Consultations and Planning</b>	<i>Interim Director, Transport Policy and Delivery</i>	Review consultation and planning processes and whether they sufficiently consider transport links and infrastructure, and whether they take into account the views of residents (especially on active travel)
	<b>Update – Bus Service Improvement Plan (BSIP)</b>	<i>Director of Transport Operations and Passenger Experience</i>	Update (since September 2022): on improvement of real time information system accuracy, engagement with bus companies on data and service cuts, and future of bus funding.
<b>Workshops or other updates</b> <i>(dates TBC)</i>	<b>Bus Service reductions</b>	<i>Director of Transport Operations and Passenger Experience</i>	Consider the impact of funding and the changing commercial environment on bus service provision and plans to lessen the impact on residents
	<b>Update – Mass Rapid Transit (MRT) and Rail Reforms</b>	<i>Interim Director, Transport Policy and Delivery</i>	Update (since March 2022): on plans to develop mass transit system for WY and impact and progress of rail reforms

	<b>Active Travel</b>	<i>Interim Director, Transport Policy and Delivery</i>	Update on active travel progress and plans, with particular attention on disability access, consultations and public opinion, and e-bikes
	<b>Behaviour Change</b>	<i>Interim Director, Transport Policy and Delivery</i>	Expand on Behaviour Change session at March 2022 meeting and discuss progress and plans on decarbonisation and active travel, including: <ul style="list-style-type: none"> <li>• Carbon emission targets</li> <li>• ‘Low Traffic Neighbourhoods’,</li> <li>• ‘the last mile’</li> <li>• possibility and accessibility of e-bikes</li> <li>• Active travel</li> <li>• ‘Nudge Unit’ and ‘Tyndall Manchester’ research on influencing behaviour change</li> </ul>
	<b>Decarbonisation</b>	<i>Interim Director, Transport Policy and Delivery</i>	Follow up on issues raised and information requested at 17 November meeting

## Economy Scrutiny Committee

Meetings	Topics	Attendees	Objectives
21 September 2022	Update – The state of the economy and cost of living crisis	Head of Economic Policy Research & Intelligence	Update on the state of the economy and cost of living crisis, with some attention to impact of Brexit, inflation, cost of living crisis, and skills.
16 November 2022	Adult Education Budget (AEB) and Labour Market Assessment	Head of Employment and Skills Research & Intelligence Head of Economic Policy	Explore current labour conditions and how new powers and funding from the Adult Education Budget (AEB) meets the short term and long term needs – with particular focus on if AEB to FE providers has been well spent, what success looks like and how we compare to other regions.
18 January 2023	Economic Strategy	Interim Director of Economic Services	Talk about economic strategy.
	Business Spaces and Enterprise Zones		Business space/ enterprise zones – the current data on business land and availability plus research on enterprise zones.  Key sectors, history and background on enterprise zone and its current status.
15 March 2023	Mayor's Question Time	Mayor Tracy Brabin & Chief Executive	Question the Mayor on matters pertaining to economy scrutiny since her last attendance in March 2022.
Workshops (dates TBC)	TBC		Consider whether the £6 million of capital grants to manufacturers (for procurement of machinery etc.) is giving a tangible return on the investment.

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