

CORPORATE SCRUTINY COMMITTEE

**MEETING TO BE HELD AT 10.00 AM ON FRIDAY, 24 NOVEMBER 2023
IN CONFERENCE ROOM 1/2, WELLINGTON HOUSE, 40-50
WELLINGTON STREET, LEEDS, LS1 2DE**

A G E N D A

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

- 1. APOLOGIES FOR ABSENCE**
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 22 SEPTEMBER 2023**
(Pages 1 - 6)
- 5. CHAIR'S COMMENTS AND UPDATE**
- 6. BUDGETS AND FINANCE**
(Pages 7 - 36)
- 7. GATEWAY REVIEW UPDATE**
(Pages 37 - 50)
- 8. CORPORATE SCRUTINY WORK PROGRAMME**
(Pages 51 - 62)
- 9. DATE OF THE NEXT MEETING - 19 JANUARY 2024**

Signed:



**Chief Executive
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE CORPORATE SCRUTINY
COMMITTEE HELD ON FRIDAY 22 SEPTEMBER 2023 IN
CONFERENCE ROOMS 1/2, WELLINGTON HOUSE, 40-50
WELLINGTON STREET, LEEDS, LS1 2DE**

Present:

Cllr Alun Griffiths	Bradford Council
Cllr Ralph Berry	Bradford Council
Cllr Mike Barnes	Calderdale Council
Cllr Rahat Khan	Calderdale Council
Cllr Susan Lee-Richards	Kirklees Council
Cllr Jo Lawson	Kirklees Council
Cllr Moses Crook	Kirklees Council
Cllr Barry Anderson (Chair)	Leeds City Council
Cllr Jane Dowson	Leeds City Council
Cllr Paul Wray	Leeds City Council
Cllr Samantha Harvey	Wakefield Council
Cllr Betty Rhodes	Wakefield Council

In attendance:

Alan Reiss	West Yorkshire Combined Authority
Craig Taylor (Item 10)	West Yorkshire Combined Authority
Hannah Scales	West Yorkshire Combined Authority
Katie Wilby (Item 9)	West Yorkshire Combined Authority
Khaled Berroum	West Yorkshire Combined Authority
Patrick Bowes (Item 9)	West Yorkshire Combined Authority
Sam Bacon (Item 9)	West Yorkshire Combined Authority

1. Apologies for absence

Apologies for absence were received from Councillors Richard Forster and Brench Monteith.

The meeting was confirmed as quorate with 12 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 meeting held on 20 January 2023

Resolved: That the minutes of the meeting held on 20 January 2023 be approved.

5. Notes of the meeting held on 10 March 2023

Resolved: That the notes of the informal meeting held virtually on 10 March 2023 be noted as accurate.

6. Chair's comments and update

The newly appointed Chair, Cllr Anderson, introduced himself and welcomed new members through introductions. The Chair also informed the committee he had undertaken several briefings over the summer and on particular topics and reports relevant to Corporate Scrutiny.

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

7. Scrutiny and Governance Arrangements

The Statutory Scrutiny Officer presented a report providing an overview of the governance and scrutiny arrangements established by the Combined Authority at its annual meeting.

Resolved: That the report be noted.

8. Corporate Scrutiny Work Programme

The Statutory Scrutiny Officer presented a report providing an overview of the work programme agreed by members over the summer period, following the work planning session in July.

Resolved: That the submitted Work Programme is approved.

9. Strategic Focus and Performance Monitoring

The Chief Operating Officer provided a report summarising the Combined Authority's approach to strategic planning and performance monitoring, including the latest published quarterly KPI data.

The Chair reminded members of the committee's remit and that the KPI data points pertaining to the other two scrutiny committees' remits of transport, infrastructure, economy and skills should be scrutinised by those committees.

Following discussion and questions, the following points and conclusions were made:

- **New RAG system:** The previous RAG (Red-Amber-Green) system is being updated for accessibility reasons to a new "temperature" colour palette (from cool to hot, with blue as the new green) though some

members reported finding it difficult to read text on a blue background and concern about different authorities using different schemes and standards which would make smoother comparative analysis across authorities harder.

- **Context and narrative behind figures:** Scrutiny needs greater context for why certain KPIs are not being achieved. It was suggested that the reasoning, and any problems, be included on the document in future for pre-scrutiny. For example, it was clarified that the Housing target was marked down from last year's figures as the Housing Strategy was not yet complete and only some houses were delivered through the Brownfield Housing Fund (mainly in Leeds), largely due to internal staff capacity issues and limitations around criteria, respectively. Another example was the retrofitting homes KPI entry which did not clarify it was a pilot scheme in one area, hence the 150 homes target, rather than region wide target.
- **Change in KPIs per-year:** Changes in KPI are determined every year during business planning stage and overseen by the Internal Leadership Board of directors. It would be useful for the Committee to know which KPIs are added, revised or abandoned each year during the business planning process so that Members can track long term achievement and see how focuses and targets have changed over time.
- **Categorisation of data:** Each KPI is monitored internally monthly and signed off by officers, based on objective metrics (i.e. achieved or not) and not subject to value judgements. The reason many KPIs were currently marked as Amber, compared to last year's data, is because they are mid-year preliminary assessments which remain under review, compared to the final actuals from the previous year.
- **Consistency and relevance of data points:** It was noted that retirement data is reported as 64+ despite the retirement age in the UK being higher now, as this was due to the data being the international standard used by the ONS and is in the process of reform. It was also noted that comparison of housing affordability and rented housing costs in West Yorkshire to the national average was not helpful in determining relative affordability within the region and whether local targets and needs are being met.
- **Presentation of data and headings:** It was felt that the attached documents are 'working documents' more attuned to the needs of officers than members. It was in A3 excel format, which is easy to read on excel on a screen, but harder to read in the report. It would be more useful if performance data could be catered to the audience in mind, in this case only the headings relevant for scrutiny be presented in future e.g. on narrative behind key/top level – in essence being 'longer' rather than 'wider'.
- **Reporting timelines:** The CA reports KPI and performance data on a quarterly basis for strategic indicators, but some key data sets are only available on an annual basis especially data gathered at international level. Internal management KPIs are reported monthly to internal officer boards, before they are summarised quarterly for the Finance, Resources and Corporate Committee.
- **Scrutiny overview:** The Committee requested that the same quarterly performance reports submitted to the Finance, Resources,

Corporate Committee are also submitted to scrutiny for regular scrutiny and overview.

- **Police KPIs:** The Mayor's police KPIs are reported quarterly to the Police and Crime Panel via statutory process. A suggestion was made that domestic abuse data is included in the State of the Region report as part of the Mayor's Pledge.
- **Real Living Wage:** The Combined Authority currently paid a 'living wage' supplement to staff and is in the process of becoming Real Living Wage Foundation accredited, in addition to launching a "Fair Work Charter" in November 2023 which a number of businesses had signed up which would support organisations to become fairer employers – including the CA.
- **Corporate energy source:** Report wording was clarified to confirm that the CA purchases all its energy for internal use from renewable sources.
- **Governance of cross-border issues:** Many issues are not limited to West Yorkshire borders and there a number of ways cross-border issues are tackled including having York as a non-constituent member of the CA, a Yorkshire Leaders Board (including metro-mayors), Transport for the North, and regular coordination with South Yorkshire and Greater Manchester Combined Authorities.
- **Executive member presence at scrutiny:** It was noted that while officers do an excellent job in answering questions on what is happening and the detail and technicalities, questions about the logic behind certain strategies, decisions and KPIs were better directed to the political leadership and executive members such as the Mayor and portfolio holders to explain why certain decisions are made, for example if KPIs and Mayors Pledges were challenging enough.

In conclusion, the Committee asked that:

- i) their suggestions above be taken on board and
- ii) a further report on corporate performance monitoring, along with the quarterly KPIs themselves, return to a future meeting.

Members also had comments and questions on KPIs not related to the Corporate Scrutiny remit, and asked that their concerns be circulated to the other two scrutiny committees to be considered, including on: progress on housing targets and criteria, investment in and number of electric vehicle charging points, challenges in meeting bus patronage increase targets, cross border/operator bus ticketing, mcard uptake statistics, and progress on Better Homes Hub project and the need to greatly accelerate retrofitting homes.

Resolved:

- i) That the report be noted.
- ii) That the committee's feedback and suggestions on corporate performance monitoring – outlined above – be taken on board.
- iii) That this topic return to a future committee meeting for further scrutiny.

- iv) That the quarterly performance monitors submitted to the Finance, Resources & Corporate Committee also be circulated to Corporate Scrutiny Members.

10. Assurance Framework

The Head of Strategic Portfolio Office presented a report providing an overview of the review, peer review and the planned changes to the Assurance Framework.

The discussion covered the following points:

- **Elected Member Involvement:** Elected members' views were canvassed via email, but there was a very low response rate. It was suggested that in future there would be a different approach to ensure that members are encouraged to respond and contribute at review stage.
- **Reprioritisation of projects:** Last year, a review was undertaken as part of the response to the inflation and cost of living situation leading to a rise in cost for projects, to identify which projects/programmes could be reprioritised to save money, without cancelling strategically sound projects. Reports were presented to the Transport Committee and Combined Authority and changes to the pipeline and timelines were made.
- **Planning issues:** The Assurance Framework doesn't cover planning law and issues, but planning matters are highlighted at business case stage.
- **Alignment with local authorities:** MCAs are required to have Assurance Frameworks, which must fulfil government guidance and are annually reviewed, as a condition of the funding settlements. Local authorities are not required to have a similar framework and each have their own processes and standards – although local authority promoted schemes with MCA funding must go through the MCA's assurance processes.
- **Single pot funding arrangements:** The CA currently has a number of different funding sources with different criteria, conditions and reporting arrangements. Greater Manchester and West Midlands are currently trialling single settlement funding as part of 'trailblazer' devolution deals which the government intends to roll out nationally to other MCAs.

Resolved:

- i) That the report and the Committee's feedback be noted.
- ii) That the final Assurance Framework return to committee before it's final approval by the CA if substantive changes are made.

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Report to:	Corporate Scrutiny Committee
Date:	24 November 2023
Subject:	Budgets and Finance
Director:	Angela Taylor, Director Finance and Commercial Services
Author:	Angela Taylor

1. Purpose of this report

- 1.1 To provide to Members information in support of the budget work underway for 2024/25.

2. Information

Introduction

- 2.1 The Committee has requested a range of information to support the ongoing work on developing the budget for 2024/25. This paper covers last year's and this year's budget position on revenue and capital, gainshare approvals, transport levy, reserves and borrowing.

Budget 2022/23 and 2023/24

- 2.2 The revised forecast for 2022/23 approved by the Combined Authority in February set out the expectation that the final position for the year would be within the original budget set with two exceptions. There was the potential for some further bus funding from government, which, if received, would be set aside to the transport reserve along with the expected savings against concessionary travel reimbursement. This would then be used to offset the costs of bus services from 2023/24 onwards. There was also an expected surplus on bank interest due to the high interest rates and the level of cash balances due to the timing of receipt of government grants. It was agreed that this would help to offset the increased costs of capital projects as a result of inflation. **Appendix 1** sets out the revised forecast for 2022/23 with the unaudited final figures for the year alongside.
- 2.3 The extract below also confirms the final position for 2022/23 which is still subject to external audit. The Governance and Audit Committee will be considering the audited accounts in due course but there are currently significant delays nationally with concluding the audits for 2021/22 of local government bodies, and little progress on auditing 2022/23 accounts. Bank interest earned in the year was higher than forecast due to the continuing increase in interest rates which continued throughout the year and

this will be applied to future years' capital programme as part of the budget setting process.

	Approved forecast Feb-23 £000	Draft final position Mar-23 £000
Transfer to bus reserve	3,194	5,788
Transfer to capital	4,870	5,275
Transfer to general reserve	145	525
	8,209	11,588

2022/23 Capital Programme Outturn

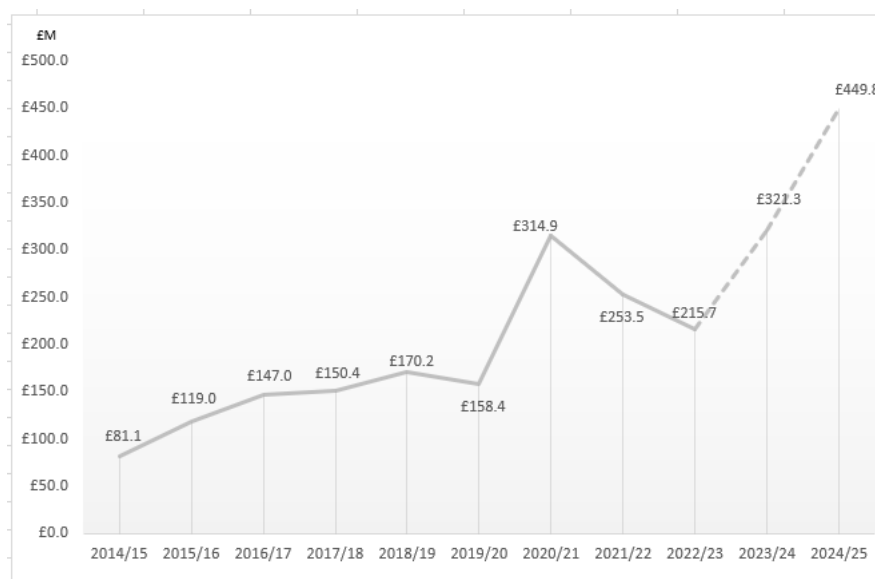
- 2.4 The table below summarises the total expenditure on the Combined Authority's capital programme in 2022/23 against the revised forecasts reported to the Combined Authority in February 2023.

Capital Programme Expenditure	Forecast as at Combined Authority February 2023	Expenditure as at Year End 2022/23	% of CA Forecast
Transport Programmes			
City Region Sustainable Transport Settlement	£66,059,941	£63,358,672	95.91%
Transforming Cities Fund (inc. Tranche 1) (non CRSTS)	£37,940,399	£32,771,129	86.38%
West Yorkshire plus Transport Fund	£58,626,946	£69,401,743	118.38%
Zero Emissions Bus Regional Areas*	£3,818,701	£0	0.00%
Leeds Public Transport Investment Programme	£2,870,000	£1,961,965	68.36%
Integrated Transport Block (CA legacy projects)	£4,666,883	£4,871,529	104.39%
Active Travel	£6,856,529	£4,845,573	70.67%
New Station Fund	£3,687,541	£3,687,541	100.00%
Economic Development Programmes			
Getting Building Fund	£11,377,575	£11,377,575	100.00%
Brownfield Housing Fund	£9,000,000	£2,730,673	30.34%
Social Housing Decarbonisation Fund	£4,661,627	£2,967,488	63.66%
British Library North	£6,000	£5,311	88.51%
Corporate Projects	£1,897,281	£1,475,256	77.76%
Broadband	£1,204,119	£1,217,592	101.12%
Growth Deal - Economic Development	£123,300	£3,000	2.43%
Business Accelerator Fund	£2,301,895	£2,428,655	105.51%
Flood Alleviation Scheme	£12,565,000	£12,565,000	100.00%
Total Capital Spend	£227,663,737	£215,668,701	94.73%

* Note all expenditure transferred to CRSTS in 22/23

- 2.5 Total expenditure achieved by the Combined Authority's capital programme in 2022/23 is £215.67 million representing almost 95% of the revised budget. In general, the programme continues to perform well but is not as high as total expenditure in 2020/21

and 2021/22. This reflects the early stages of development of some of the biggest programmes. For example, 2022/23 is first year of the City Region Sustainable Transport Settlement (CRSTS) and the majority of projects are at a very early stage. The graph below shows the annual capital spend of the Combined Authority since its inception.



- 2.6 The majority of Combined Authority's capital spend continues to be on the transport related activity, with 84% of the total on the transport funding programmes. Actual expenditure in 2022/23 is concentrated on four major programmes: CRSTS, the Transforming Cities Fund (TCF), the Transport Fund and the Getting Building Fund (GBF). The following summarises the performance of these programmes.

City Region Sustainable Transport Settlement

- 2.7 Expenditure on the CRSTS programme is in line with forecast and relates principally to the Network and Assets Improvements sub-programme (which covers activity by partner councils previously funded under Highways Maintenance, Pothole funding and the Integrated Transport Block) and Mass Transit which spent just over £7 million on development activities, over £1 million higher than forecast.

Transforming Cities Fund

- 2.8 The TCF and Transport Fund inflation review was undertaken during quarters 2 and 3 of 2022/23. Whilst it was necessary to undertake this review to ensure that both programmes could deliver in full within the budget available it did have an impact in year on progress and spend in particular on the TCF programme, with activity being delayed or paused during this period. The review introduced uncertainty around if and how the schemes would progress leading to delays in decision making in several areas including, procurement initiations and contract awards, progression of planning, land purchase and

other statutory processes and consents as well as diverting resource away from project and programme management to undertake the review process itself. It is unlikely that this delay can be 'caught up' during the remainder of the programme's duration. However, the programme is now in a more viable financial position which has enabled prioritised schemes to continue with increased financial certainty and therefore there is renewed confidence in delivery in the future.

- 2.9 Despite these delays more projects are heading into delivery phases and expenditure will escalate in future years. There are now six projects in delivery, across the three thematic areas, and a further 11 are due to commence delivery in 2023. The following projects are due to complete in 2023/24: Halifax Bus Station, Leeds City Centre Cycle Improvements, Leeds City Bikes, Tadcaster Road and White Rose Station.

Transport Fund

- 2.10 In its eighth year of delivery, the Transport Fund continued to perform well, and expenditure exceeded the forecast for the year. This is down to 15 projects being in delivery. At delivery state there is less risk of expenditure slipping as projects are less likely to experience significant delays than those in development. In total the Transport Fund has now spent £398 million of the £1 billion of funding available.
- 2.11 Schemes completed in 2022/23 include:
- Harrogate Road - New Line
 - East Leeds Orbital Route (ELOR)
 - Rail Parking Package - Hebden Bridge
 - CityConnect Phase 3 Canals – Huddersfield Narrow Canal Phase 2 and Leeds Liverpool Canal - Shipley
 - Leeds City Centre Network and Interchange Package - Regent Street
- 2.12 These schemes take the total number of completed Transport Fund projects to 24 with a total value of £229 million.
- 2.13 A further 10 schemes are currently on site and are expected to be completed in 2023/24:
- A629 (Phase 1B) - Elland Wood Bottom to Jubilee Road
 - Corridor Improvement Programme - Calderdale - A646 - A6033 Corridor
 - Corridor Improvement Programme - Kirklees - A62 Smart Corridor
 - Corridor Improvement Programme - Leeds - Dyneley Arms
 - Corridor Improvement Programme - Leeds - Fink Hill
 - Corridor Improvement Programme - Wakefield - A650 Newton Bar
 - Leeds City Centre Network and Interchange Package
 - Leeds City Centre Network and Interchange Package - Armley Gyratory
 - Rail Parking Package - Steeton and Silsden
 - West Yorkshire Integrated Urban Traffic Management Control

Other Programmes

2.14 Brownfield Housing Fund

Actual spend was lower than anticipated primarily due to the forecast including spend on projects scheduled to secure approval to proceed in the late stages of the financial year. During 2022/23 progress was made towards finalising key areas such as security, due diligence, spend profiles, match funding arrangements and draft grant funding agreements. However, fulfilment of all conditions associated with approval was not practical for some projects by March 2023. Due to significant numbers of internal vacancies, there is also limited capacity within the programme team to support multiple partners and projects.

2.15 Getting Building Fund

In 2022/23 the GBF programme successfully achieved full spend of the funding awarded (£52.60 million). A number of project sites including Knottingley Business and Services Hub, Dewsbury Arcade, Huddersfield George Hotel, Bradford One City Park and Bradford City Village continue with delivery utilising match funding contributions. All others have now progressed to output monitoring only and closure reports either have, or are, in the process of being completed. Post delivery activities are still ongoing although recent project updates and draft closure reports have highlighted successes particularly for Wakefield Warm Homes, Holbeck Phase 2 Victorian Terrace Retrofit and Business Growth Programme where in some cases the actual outputs declared exceed target values agreed with government. Outputs achieved by the programme will continue to be monitored and will be reported to Government every six months until the end of 2024/25.

2.16 Whilst funding was forecast on the **Zero Emissions Bus Regional Area** programme this activity is joint funded by CRSTS and consequently all spend to date has been transferred to that programme. The **Social Housing Decarbonisation Fund** was originally due to complete by the end of March 2023 and was expecting to spend the majority of funding. However due to performance across the country the programme has been extended until June 2023 and the Combined Authority is on track to achieve spend of the full grant allocation.

2023/24 Q1 Reporting

2.17 **Appendices 2 and 3** set out the revenue and capital budgets as approved in February 2023. These are being reviewed and refreshed as part of the budget work underway and a revised outturn for the year will be presented to the Combined Authority in February 2024. This is kept under regular review in the year with quarterly updates being provided to the Finance, Resources and Corporate Committee.



- 2.18 The Combined Authority is reporting a Quarter 1 overall revenue position materially in line with budget, with the net revenue position being expenditure of £6k. This compares to a budgeted position of net income of £23k.
- 2.19 The variations in both income and expenditure are predominantly driven by the project portfolio, where the incidence of income and expenditure varies throughout the financial year, in contrast to budgets which are phased equally across 12 months. The significant variances have been reviewed in detail and all arise from timing differences, for example where expenditure is recovered from third parties and this is only invoiced after expenditure occurs. It is expected that the introduction of the new finance system will facilitate improved phasing of budgets and thereby reduce temporary timing differences.

2023/2024 Quarter 1 Revenue Summary

	Actual to 30-Jun-23 £000s	Budget to 30-Jun-23 £000s	Difference 30-Jun-23 £000s	Difference 30-Jun-23 %
Income				
Transport Levy	23,050	23,050	-	0%
AEB Income	18,884	17,338	1,547	9%
Pre Paid Ticket Income	6,723	5,500	1,223	22%
Income - Operational	4,404	3,680	724	20%
Funding - Grants	2,540	15,694	(13,154)	(84%)
Tendered Services Income	1,952	1,580	371	24%
Total Income	57,552	66,841	(9,289)	(14%)
Expenditure				
AEB costs	18,854	17,307	(1,547)	(9%)
Concessions	11,191	11,544	353	3%
Consultancy and Professional Services	(210)	613	823	134%
Employee Costs	8,618	9,924	1,306	13%
Financing Charges	557	1,797	1,239	69%
ICT Related Costs	1,136	918	(218)	(24%)
Indirect Employee Costs	326	432	106	25%
Members Allowances & Expenses	58	93	35	37%
Non-staffing Project costs	2,400	13,020	10,620	82%
Premises Costs	1,028	1,846	818	44%
Prepaid Tickets Costs	5,863	5,500	(363)	(7%)
Supplies and Services	715	890	175	20%
Tendered Services	9,297	8,393	(904)	(11%)
Travel, Subsistence & Transport Costs	42	57	14	25%
Total Expenditure	59,874	72,333	12,458	17%
Indirect Contribution* (Capitalisation/ Internal recharges)	2,316	5,515	3,199	(58%)
Net Income / (Expenditure)	(6)	23	(29)	
Net Income / (Expenditure) as a % of Income	(0.01%)	0.04%		

2.20 The Combined Authority's capital programme at Quarter 1 shows expenditure of nearly 13% of the February 2023 forecast, with the majority concentrated across the City Region Sustainable Transport Settlement (CRSTS), the Transforming Cities Fund (TCF), the West Yorkshire plus Transport Fund and the Brownfield Housing Fund (BHF).

2023/2024 Quarter 1 Capital Summary

Capital Programme Expenditure	Indicative Forecast Combined Authority February 2023	Revised In-Year Forecast as at June 2023	Quarter 1 Expenditure 2023/24	% of in- year Forecast
Transport Programmes				
City Region Sustainable Transport Settlement	100,000,000	103,868,641	14,313,156	13.8%
Transforming Cities Fund (inc. Tranche 1) (non CRSTS)	78,618,210	76,561,367	10,317,227	13.5%
West Yorkshire plus Transport Fund	74,296,599	80,599,518	13,423,262	16.7%
Zero Emissions Bus Regional Areas	15,364,384	3,818,701	-	0.0%
Leeds Public Transport Investment Programme	-	875,007	35,000	4.0%
Integrated Transport Block (CA legacy projects)	3,628,138	3,671,222	168,106	4.6%
Active Travel	7,763,008	9,773,845	1,090,820	11.2%
New Station Fund	7,000,000	7,000,000	-	0.0%
Levelling Up Fund		1,100,863	-	0.0%
Economic Development Programmes				
Getting Building Fund	£0	£0	£0	n/a
Brownfield Housing Fund	£29,579,359	£22,427,115	£0	0.00%
Social Housing Decarbonisation Fund	£0	£7,292,727	£1,646,645	22.58%
British Library North	£100,000	£963,000	£0	0.00%
Corporate Projects	£1,805,649	£2,387,640	£182,043	7.62%
Broadband	£77,425	£25,000	£0	0.00%
Growth Deal - Economic Development	0	£120,000	0	0.00%
Business Accelerator Fund	£3,070,000	£3,070,000	£2,070,169	67.43%
Total Capital Spend	£321,302,772	£323,554,646	£41,176,259	12.73%

Devolution Gainshare

- 2.21 Details of the projects funded through the Devolution Gainshare monies of £38 million per annum have previously been shared with the Finance, Resources and Corporate Committee. Attached as **Appendix 4** is the full details of all approved projects under each of the Combined Authority's Investment Priorities along the value of proposed projects currently in pipeline.
- 2.22 The share of monies for each Investment Priority includes all of the funding for 2020/21 to 2024/25 (£38 million x five years = £190 million) plus £35 million overprogramming which totals £225 million.
- 2.23 To date 42 projects have received approval for funding totalling £142.23 million. Whilst a number of these projects are in full delivery others have approval for development spend and will require approval of further funding before progressing into full delivery. Allocation of a further £78.62 million is currently in the pipeline.
- 2.24 A total of £13.44 million was spent in 2022/23 with Gainshare expenditure to date of £24.88 million. The budget work will include consideration of the use of future years of gainshare to support the agreed organisational priorities. A separate report later on this agenda considers the regular gateway review, the outcome of which determines whether further tranches of gainshare will be received.

Transport levy repayment

- 2.25 The Committee has requested information on the repayment of the transport levy that was approved at the last meeting of the Combined Authority. The Combined Authority has the legal powers to set a transport levy to meet its transport costs, with the costs of the levy being funded by each constituent local authority based on population. The transport levy has been at £97.9m for a number of years.
- 2.26 The West Yorkshire plus Transport Fund (WY+TF) was established as part of the City Deal forerunner to the Mayoral Combined Authority and required a £230 million local contribution to match Government's £770 million. An annual contribution of £5.6 million is being transferred from the annual levy into this reserve each year to create a revenue sum that can meet the borrowing costs that are required to support the capital sum required of £230 million. The reserve was established to enable effective management of the borrowing costs of the WY+TF and to avoid the need for sudden increases and fluctuations in levy funding.
- 2.27 The predecessor organisation to the Combined Authority, the Passenger Transport Authority (PTA), agreed that the creation of this reserve would be the means by which the PTA and now the Combined Authority would manage the timing issues of delivery of the WY+TF and the funding available. The intent was to deliver at pace and potentially ahead of the pace of government funding. In reality competing priorities, and the need to meet other funding deadlines, has meant the expenditure against profile is lower than originally envisaged. The earmarked reserve created has reached a higher level than anticipated, as current programme delivery costs have until now been met by the annual government funding of £30 million per annum, and no drawdown has been required.
- 2.28 The WY+TF includes City of York Council (CoYC). These arrangements are covered by a separate legal agreement that ensures funding and expenditure for York's projects are ring-fenced within the programme and there is no cross subsidisation of schemes between West Yorkshire and York. CoYC is making a regular contribution to the reserve.
- 2.29 A reforecast profile of expected capital spend on the WY+TF and the resultant drawdown of the reserve required to support borrowing costs from 2024/25 onwards highlights that the current reserve could be rebased, with the continuing contributions in future years providing sufficient funding to meet expected borrowing costs in the short to medium term.
- 2.30 The balance in the WY+TF at 31 March 2023 was £53.577 million. Of this £2.428 million relates to City of York Council and is held there in line with the legal agreement entered into with it. The balance of £51.148 million represents an agreed topslice of the annual transport levy paid by the five West Yorkshire local authorities to meet the transport costs of the Combined Authority.
- 2.31 Recognising the critical funding pressures facing the five West Yorkshire local authorities, the Combined Authority approved the repayment of the £51.148 million to them as

unspent transport levy. This is a one-off opportunity arising from a unique set of circumstances that enables the West Yorkshire Combined Authority to support the local authorities in a timely way as they progress their medium term financial strategies. Provisions within the Transport Act 1968 provide for the refund of transport levy reserves to the constituent authorities.

2.32 Refunds of transport levy have now been made as follows:

	Population	Levy refund
Bradford	546,400	11,884,363
Calderdale	206,600	4,493,611
Kirklees	433,300	9,424,404
Leeds	812,000	17,661,242
Wakefield	353,300	7,684,380
	<u>2,351,600</u>	<u>51,148,000</u>

Reserves

2.33 The Combined Authority has, like all local government bodies, a number of unusable statutory reserves which are only available for specific limited use – this includes for example the pension reserve and capital adjustment account. The Combined Authority holds £13 million as its general reserve, with the position regarding other reserves, as approved in February 2023 by the Combined Authority, as follows:

Other Reserves

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

2.34 The position on reserves is considered as part of the budget setting process and the Governance and Audit Committee comment on the proposed use of reserves before the full budget is taken to the Combined Authority in February for approval.

2.35 The reserves strategy is a risk based one. There is no guidance nationally from auditors or other industry specialists, with the position being that it is for each organisation to consider its particular activities and related risks in order to determine the appropriate

reserves position. Previously a figure of 4% to 5% has been put forward as a generally accepted minimum position but this does not allow for the complexities and budget volatility of different services provided.

- 2.35 The reserves strategy forms part of the wider medium term financial strategy which is required to ensure there is sufficient funding available when needed to meet organisational need. The reserves strategy must be mindful of both expected future pressures on funding as well as providing some capacity for the unknown but being mindful of building up funds too far when there is demand for delivery now.

Borrowing

- 2.36 In the same way as local authorities the Combined Authority has the powers to borrow, subject to adhering to the legislation that is in place to ensure borrowing is affordable and for the right purposes. A treasury management strategy is agreed annually alongside the budget and **Appendix 5** sets out the position as agreed in February 2023.
- 2.37 The Combined Authority has powers to borrow for transport and economic functions. The current level of debt is included in Appendix 5 and has been on the books for many years, the borrowing having been undertaken at a point when the former West Yorkshire Passenger Transport Authority funded infrastructure via borrowing approvals. A policy change led this to be replaced by grant funding and subsequently no borrowing has been undertaken although it is planned. The requirement to borrow has been reflected in the medium term financial strategy, initially in support of the West Yorkshire plus Transport Fund, but also as a means of getting better value out of the gainshare income (which is not linked to inflation) and this will be further developed as part of the budget discussions.

Scrutiny of the budget and programmes

- 2.38 In terms of scrutiny of the budget and the programmes within, the other two scrutiny committees (Economy and Transport/Infrastructure) do not look at the budget as a whole. They approach their work programming and agendas by focusing on overarching/cross-cutting topic areas, and then scrutinise any programmes/projects which fall under that area on a case-by-case basis including the relevant financials. The exception is the large programmes such as bus reform, mass transit, and the Adult Education Budget.
- 2.39 The overall budget remains within the remit of the Corporate Scrutiny Committee which scrutinises the budget in individual meetings and through workshops which allows Members to remain briefed on the latest version of the draft budget as it develops.

3. Tackling the Climate Emergency Implications

- 3.1 Support for climate emergency projects is considered within the business planning and budget work but there are no implications directly arising from this report.

4. Inclusive Growth Implications

4.1 Support for inclusive growth is considered within the business planning and budget work but there are no implications directly arising from this report.

5. Equality and Diversity Implications

5.1 Equality and diversity implications are considered as part of the development of the business plan and budget, and individual programmes, but there are no implications directly arising from this report.

6. Financial Implications

6.1 Financial information is included throughout the but no decisions are sought as part of this paper.

7. Legal Implications

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

8. Staffing Implications

8.1 Staffing numbers and costs are considered as part of business planning and budget process.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Corporate Scrutiny Committee notes the report and provides any comments or feedback.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Forecast revenue outturn 2022/23

Appendix 2 - Original revenue budget 2023/24

Appendix 3 – Indicative capital budget 2023/24 to 2025/26

Appendix 4 – Gainshare

Appendix 5 – Treasury management strategy

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

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West Yorkshire Combined Authority Revenue Budget	Transport Ops & Passenger Experience £	Transport Policy & Delivery £	Inclusivity, Economy, Skills & Culture £	Policing, Environment & Place £	Strategy, Comms & Intelligence £	Corporate £	Finance & Commercial Services £	Total Budget 23/24 £	Indicative Budget 24/25 £	Indicative Budget 25/26 £
Employee Costs	7,358,909	7,223,108	6,748,085	3,484,377	5,720,056	6,544,650	4,748,713	41,827,897	42,776,505	43,804,634
Indirect Employee Costs	-	-	-	-	-	1,724,819	2,000	1,726,819	1,416,849	1,406,849
Premises Costs	7,385,551	-	-	-	-	-	-	7,385,551	7,742,048	8,140,271
Supplies and Services	955,583	-	654,470	147,336	789,000	684,801	28,500	3,259,690	4,744,534	3,918,835
ICT Related Costs	1,183,108	-	-	-	-	-	2,488,313	3,671,421	4,034,934	4,079,454
Travel, Subsistence & Transport Costs	110,490	10,106	28,700	16,000	5,000	41,900	3,050	215,246	213,046	135,939
Members Allowances & Expenses	-	-	-	-	-	370,100	-	370,100	370,100	370,100
Tendered Services	38,589,200	-	-	-	-	-	-	38,589,200	40,518,660	42,544,593
Concessions	46,176,329	-	-	-	-	-	-	46,176,329	47,961,490	49,835,910
Prepaid Tickets Costs	22,000,000	-	-	-	-	-	-	22,000,000	22,000,000	25,000,000
Non-staffing Project costs	135,978	1,488,634	22,863,378	290,879	16,564,141	414,648	5,200	41,762,858	62,325,176	5,720,679
AEB Costs	-	-	71,816,746	-	-	-	-	71,816,746	71,816,746	71,816,746
Consultancy and Professional Services	271,500	-	532,793	164,000	247,000	1,073,473	189,300	2,478,066	1,764,170	1,740,928
Financing Charges	-	-	-	-	-	7,186,000	-	7,186,000	7,273,000	8,229,000
Vacancy savings targets	-	-	-	-	-	3,100,000	-	3,100,000	- 3,000,000	- 3,000,000
Total Expenditure	124,166,648	8,721,847	102,644,171	4,102,592	23,325,197	14,940,391	7,465,076	285,365,922	311,957,259	263,743,938
Capitalisation / Internal Recharges	- 2,008,448	- 4,963,341	481,302	- 1,958,888	- 1,957,676	- 5,390,238	- 1,436,212	- 17,233,501	- 17,821,183	- 18,840,880
Pre Paid Ticket Income	- 22,000,000	-	-	-	-	-	-	- 22,000,000	- 22,000,000	- 25,000,000
Funding - Grants	- 2,063,000	- 764,867	- 29,058,731	- 509,783	- 17,115,251	- 3,447,500	-	- 52,959,131	- 71,120,866	- 14,470,627
Transport Levy Income						- 92,198,000		- 92,198,000	- 92,198,000	- 92,198,000
AEB Income			- 71,938,746					- 71,938,746	- 71,938,746	- 71,938,746
Income - Operational	- 4,557,874	- 1,866,671	- 455,788	- 182,000	- 385,356	- 17,697,645	-	- 25,145,335	- 22,208,930	- 16,043,027
Tendered Services Income	- 11,338,100	-	-	-	-	-	-	- 11,338,100	- 11,923,630	- 12,538,437
Total Income	- 41,967,423	- 7,594,879	- 100,971,963	- 2,650,671	- 19,458,283	- 118,733,383	- 1,436,212	- 292,812,813	- 309,211,355	- 251,029,716
Net Expenditure Total	82,199,226	1,126,968	1,672,209	1,451,921	3,866,914	- 103,792,992	6,028,864	- 7,446,891	2,745,903	12,714,222
Adjust for non recurring income on investments to support capital programme						11,530,000		11,530,000	7,800,000	2,000,000
Adjust for transport reserve transfers out/(in)	- 4,177,000							- 4,177,000	- 1,018,000	
Adjusted Net Expenditure Total	78,022,226	1,126,968	1,672,209	1,451,921	3,866,914	- 92,262,992	6,028,864	- 93,891	9,527,903	14,714,222

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Indicative Capital Programme

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

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

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Devolution Gainshare 2022/23 Year End

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Investment Priority	Project Name	Start Date	End Date	Approval to 2022/23	Pipeline Projects Progressing through the Assurance	Cumulative Actual Spend prior to 2022/23	Actual Spend 2022/23	Total Actual Spend to 2022/23	2023/24 Forecast	Post 2023/24 Forecast	Total Spend
IP1: Good jobs and resilient businesses	COVID Economic recovery (local authorities)	Feb-21	Mar-23	5,000,000		5,000,000	-	5,000,000	-	-	5,000,000
	Economic Recovery - Health Innovation	Aug-21	Aug-24	200,000		14,365	31,773	46,138	86,213	67,649	200,000
	Enterprise West Yorkshire	May-21	Sep-24	6,000,000		212,872	1,292,542	1,505,414	2,155,264	2,339,322	6,000,000
	Capacity funding	Apr-22	Mar-25	590,647		-	124,668	124,668	170,656	295,324	590,647
	Support Local Business (programme development)	Nov-21	Jan-25	500,000		-	138,626	138,626	200,869	160,505	500,000
	Business Productivity Programme	Sep-22	Mar-26	4,500,000		-	213,119	213,119	-	4,286,881	4,500,000
	Mayor's Cost of Living Emergency Fund	Nov-22	May-24	3,000,000		-	950,000	950,000	2,050,000	-	3,000,000
	Innovation West Yorkshire Programme	Apr-23	Mar-26	5,550,376		-	-	-	1,776,313	3,774,063	5,550,376
	Business West Yorkshire	Apr-23	Mar-26	4,573,426		-	-	-	1,382,679	3,190,747	4,573,426
	Ad:Venture (High Growth Start Up)	Jul-23	Mar-26	5,000,000		-	-	-	1,175,000	3,825,000	5,000,000
	Total IP1: Good Jobs and resilient businesses			34,914,449	-	5,227,237	2,750,729	7,977,966	8,996,994	17,939,490	34,914,450
IP2: Skills and training for people	Skills Connect (Re-boot extension)	Mar-21	Mar-25	6,500,000		137,384	743,495	880,880	3,010,089	2,609,032	6,500,000
	Employment hub (brokering people to jobs)	Apr-21	Mar-23	7,000,000		2,321,283	4,411,873	6,733,157	266,843	-	7,000,000
	Capacity funding	Apr-22	Mar-25	1,253,501		-	122,399	122,399	504,352	626,751	1,253,501
	Develop and embed Fair Work Charter	Oct-21	Jul-24	600,000		-	200	200	302,300	297,500	600,000
	Green Jobs Taskforce and Gateway	Nov-21	Mar-24	500,000		-	165,904	165,904	334,096	-	500,000
	Digital Skills Green Skills and Skills Support for Business	Sep-23	Mar-26		6,000,000	-	-	-	1,178,921	4,821,079	6,000,000
	Employment West Yorkshire	Apr-23	Mar-25	12,000,000		-	-	-	5,092,807	6,907,193	12,000,000
	Total IP2: Skills and training for people			27,853,501	6,000,000	2,458,668	5,443,872	7,902,540	10,689,407	15,261,554	33,853,501
IP3: Creating great places and accelerated infrastructure	Capacity funding	Apr-22	Mar-25	5,089,730		-	774,090	774,090	1,825,775	2,489,865	5,089,730
	Inclusivity Champion role and inclusive growth pipeline development	May-22	Apr-24	175,000	225,000	-	16,968	16,968	193,032	190,000	400,000
	Pipeline				17,200,000	-	-	-	1,833,951	15,366,049	17,200,000
	Total IP3: Creating great places and accelerated infrastructure			5,264,730	17,425,000	-	791,059	791,059	3,852,758	18,045,914	22,689,730
IP4 - Tackling the Climate Emergency and Environmental Sustainability	Economic Recovery - Net Zero Region Accelerator	Sep-21	Mar-24	960,000		74,243	141,810	216,053	302,975	280,972	800,000
	Capacity funding	Apr-22	Mar-25	1,654,359		-	257,717	257,717	594,463	802,180	1,654,359
	Greener Together	Apr-22	Dec-22	306,604		-	203,541	203,541	103,063	-	306,604
	West Yorkshire Climate & Environment Plan – Wave 1	Mar-22	Apr-25	614,146		-	12,862	12,862	342,639	58,645	414,146
	Social Housing Decarbonisation Fund Booster	Jan-23	Mar-24	5,195,949		-	402,378	402,378	4,793,572	-	5,195,949
	Better Homes Hub	Jun-23	Mar-26	718,293	16,019,113	-	58,790	58,790	6,090,123	10,601,087	16,750,000
	Solar Programme			306,530	7,531,893	-	77,337	77,337	-	-	77,337
	Solar Programme - Bus Station Solar (BSS)	Mar-23	Mar-24	476,203		-	-	-	341,183	135,020	476,203
	Natural Flood Management	Nov-22		435,271	5,459,174	-	50,974	50,974	895,357	6,332,114	7,278,445
	NFM Wyke Beck Culvert Bypass	Apr-23		82,000	1,418,000	-	-	-	82,000	-	82,000
	NFM Wortley Beck Renaturalisation	Apr-23		34,000		-	-	-	34,000	-	34,000
	Better Neighbourhoods	Apr-23	Mar-25	2,060,000		-	-	-	607,454	1,452,546	2,060,000
	Energy Price Crisis Emergency Business Grants Programme	Nov-22	Jun-23	1,100,000		-	463,237	463,237	636,763	-	1,100,000
	Business Sustainability Package	Apr-23	Mar-26	10,596,934		-	1,250	1,250	2,623,317	7,972,367	10,596,934
	Local Area Energy Plan				500,000	-	-	-	500,000	-	500,000
Total IP4 - Tackling the Climate Emergency and Environmental Sustainability			24,540,289	30,928,180	74,243	1,669,895	1,744,138	17,946,908	27,634,931	47,325,977	
IP5 - Future Transport	Capacity funding	Apr-22	Mar-25	1,432,616		-	61,172	61,172	719,515	651,929	1,432,616
	Capacity funding - Management Funding			60,000		-	-	-	-	-	-
	Begin Bus Franchising assessment incl legal & commercial advice	Jan-22	Mar-24	1,000,000	4,012,000	-	894,984	894,984	105,016	-	1,000,000
	Contribution to Transforming Cities and LUF2			37,500,000		-	-	-	-	38,000,000	38,000,000
Total IP5 - Future Transport			39,992,616	4,012,000	-	956,156	956,156	824,531	38,651,929	40,432,616	
IP6 - Culture and Creative Industries	Capacity funding	Apr-22	Mar-25	1,319,147		-	802,900	802,900	216,192	300,055	1,319,147
	Creative New Deal (programme development)	Oct-21	Dec-23	310,000		-	29,345	29,345	270,655	10,000	310,000
	Creative New Deal: Beyond Brontës: The Mayor's Screen Diversity Programme	Oct-21	Mar-23	190,000	180,000	95,000	95,000	190,000	90,000	90,000	370,000
	Bradford Literature Festival to support the festival in 2022	Jun-22	Nov-22	250,000		-	250,000	250,000	-	-	250,000
	Kirklees Year of Music 2023	Oct-21	Mar-24	850,000		-	110,000	110,000	740,000	-	850,000
	Leeds 2023 - Women of the World (WoW) (ka Leeds WoW Barn)	Nov-21	Jun-23	1,500,000		-	529,797	529,797	970,203	-	1,500,000
	Pipeline				5,070,000	-	-	-	500,000	250,000	750,000
Total IP6 - Culture and Creative Industries			4,419,147	5,250,000	95,000	1,817,041	1,912,041	2,287,050	400,055	5,349,147	
Capacity - Mayoral team and elections costs			5,250,000		3,587,285	-	3,587,285	1,662,715	-	5,250,000	
Additional allocations to District Partners (unapproved)				15,000,000	-	-	-	-	-	-	
Gainshare Programme Costs					-	12,016	-	12,016	-	12,016	
Total			5,250,000	15,000,000	3,587,285	12,016	3,599,301	1,662,715	-	5,262,016	
Devolution Gainshare Grand Total			142,234,732	78,615,180	11,442,433	13,440,768	24,883,201	46,260,363	117,933,874	189,827,437	

*Note: Amounts in italics are for projects where final allocations are yet to be finalised and have not progressed through the Assurance Process

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Treasury Management Strategy Statement

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

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

Treasury Management activity – Borrowing and Investments

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

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

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

Combined Authority's funds are managed to provide security and liquidity. A similar arrangement is in place for the policing funds, with support currently provided through Wakefield Council.

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

Treasury Management Activity – Investments Criteria

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

Officers of both organisations. This arrangement is a continuation of approved arrangements put in place some years ago to recognise the potential conflict of interest that could arise.

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

THE PRUDENTIAL INDICATORS

19. The principal purpose of the prudential system is to allow authorities as much financial freedom as possible whilst requiring them to act prudently. There is no formal requirement arising from this to set government borrowing approvals but government retains the power to do so and it has determined that Combined Authorities are required to agree a debt cap with government.
20. The debt cap operates on long-term external debt and does not limit capital spending funded from internal cash flow or short-term external debt (less than 1 year). The agreement will be reviewed in light of emerging initiatives, local or national, which have a material impact on the Combined Authority borrowing totals. Agreement made with the government on limit on the Authority's total long-term external debt for 2022/23 is £304.1 million, and indicatively as £381.6m for 2023/24 and £477.4m for 2024/25. This limit has been derived from the current agreed long-term investment plans of the authority including those investment required for provision of policing services, with some significant headroom to enable flexibility.
21. The projection of external debt figures outlined in this report falls well within the year end ceilings incorporated into the debt deal.
22. Irrespective of this cap restrictions are imposed through the CIPFA Prudential Codes which require every authority to set prudential indicators and limits and thus be satisfied that it can afford the results of its borrowing and to ensure investment is in line with its place making remit and not solely for financial yield. These limits, which must not be exceeded, must be formally agreed by the Authority before the start of each financial year.
23. The applicable codes governing our arrangements are the "Treasury management in the Public services – Code of Practice and the "Guidance notes 2021" and "The Prudential Code - for capital finance in Local Authorities 2021",

as well as Treasury management in the Public Services Guidance Notes for Local Authorities including Police bodies and fire and rescue authorities 2021 which is now formally part of the CIPFA codes as well as recognising the DLUHC Investment guidance which has always had statutory underpinnings. In summary these Codes emphasise that local authorities must ensure that all its capital and investment plans and borrowing are prudent and sustainable. In doing so it will consider its arrangements for the repayment of debt and consideration of risk and the impact, and potential impact, on the authority's overall fiscal sustainability. While indicators for sustainability are required to be set over a minimum three year rolling period, indicators should be set in line with a capital strategy and asset management plan that is sustainable over the longer term.

24. A capital strategy should demonstrate that the Combined Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The Capital Strategy, last approved in April 2021, is being reviewed and updated, and will be reviewed alongside the West Yorkshire Investment Strategy in the first part of this year.
25. The Code requires full capital and revenue plans to be prepared for at least three years forward in order to assess the financial effects of the planned capital investment. In the Combined Authority the three year financial strategy is considered by Members on a regular basis and to ensure a level of affordability, it is currently the policy that borrowing to meet capital expenditure will be limited to proposed levels. Restricting borrowing in this way ensures that all debt charges are covered by known income streams, including through its levy on the Districts, gainshare funding or through precept/Home Office funding for borrowing on delivering policing services.
26. In accordance with the above, overall capital expenditure will be met firstly by grants and other resources leaving the balance to be met by borrowing.
27. There are significant levels of grant provided to the Combined Authority under a range of programmes and with the prospect of future funds through any successor programmes. Recognising the demands upon infrastructure investment it is proposed that other alternative methods of financing during the year remain under consideration as and when appropriate. The financial viability and value for money of such methods will require investigation and savings found within the budget to accommodate the costs involved. Members will be asked to approve any such methods before they are implemented.
28. The Combined Authority has in place a five year borrowing facility with the European Investment Bank (EIB) which provides a flexible financing offer to support the West Yorkshire Plus Transport Fund. Many of the schemes in the West Yorkshire plus Transport Fund meet the EIB funding criteria and this provides an attractive alternative to the traditional PWLB lending. The UK's withdrawal from the European Union does not preclude this arrangement taking place.
29. When the Combined Authority last reviewed the borrowing limits in the light of market rates, it was determined that the limit was to be set at a level sufficient

for the current year plus the equivalent of two years anticipated borrowing requirement which is derived from the capital allocations. This was intended to provide flexibility for fund management allowing borrowing to take place when rates are low rather than being tied into strictly annual borrowing.

30. The Annex initially creates limits set at the required level of borrowing for 2023/24 and 2024/25. To provide more flexibility in managing the funding operation it was previously agreed that approval be given to borrow to cover loan requirements for the current plus the following two years.
31. The attached (**Annex 1**) shows the calculation of the following prudential indicators separately for the CA general fund portfolio and the ring fenced police fund portfolio:
 - 31.1. Gross external Borrowing requirement (Gross Debt and CFR). The gross borrowing requirement should not exceed the Capital Financing Requirement (CFR).
 - 31.2. The ratio of debt charges to overall expenditure. This is not significant to the Combined Authority as it is effectively controlled through the level of the levy, and the level of precept for the police fund (as referred to above).
 - 31.3. The operational boundary should reflect the maximum anticipated level of external debt consistent with budgets and cash flow forecasts. It should be seen as a management tool for on-going monitoring of external debt, and may be breached temporarily due to unusual cash flow movements.
 - 31.4. The authorised limit represents the legislative limit on the Combined Authority's external debt under the Local Government Act 2003. It should be set with sufficient headroom above the operational boundary to allow flexibility for planned borrowing to be undertaken, in order for prudent treasury management decisions to be taken and temporary cash flow fluctuations to be managed.
 - 31.5. The limit on non-Treasury Investment should not exceed £20m. It also includes a ratio of estimated return on investment against revenue stream and net income from investments as a proportion of usable reserves.
 - 31.6. The Combined Authority is required to set upper and lower limits for the maturity structure of its borrowings. This is designed to limit the risk of exposure to high interest rates by restricting the level of maturing debt in any given year. The limits represent the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. It is proposed that these limits remain unchanged.
32. The Liability Benchmark (or gross loans requirement as **Annex 2**) looks at a net management of the treasury position. It aims to minimise/reduce refinancing, interest rate and credit risks by profiling the borrowing portfolio against a benchmark. Liability benchmarks are broken down between the CA general fund and the ringfenced Police Fund in accordance with CIPFA guidance. There is

no mismatch between the actual loan debt outstanding and the liability benchmark based on the current forecast.

33. The Prudential Code requires Members to have an approved Treasury Management Policy (this is set out above) and to agree limits for variable and fixed rate loans. It is recommended that the maximum limit for variable rate loans continues to be set at 40% and the limit for fixed rate loans remains at 200%. This reflects the current position that arises from the increase in cash balances and investments resulting from an increase in advance grant funding.

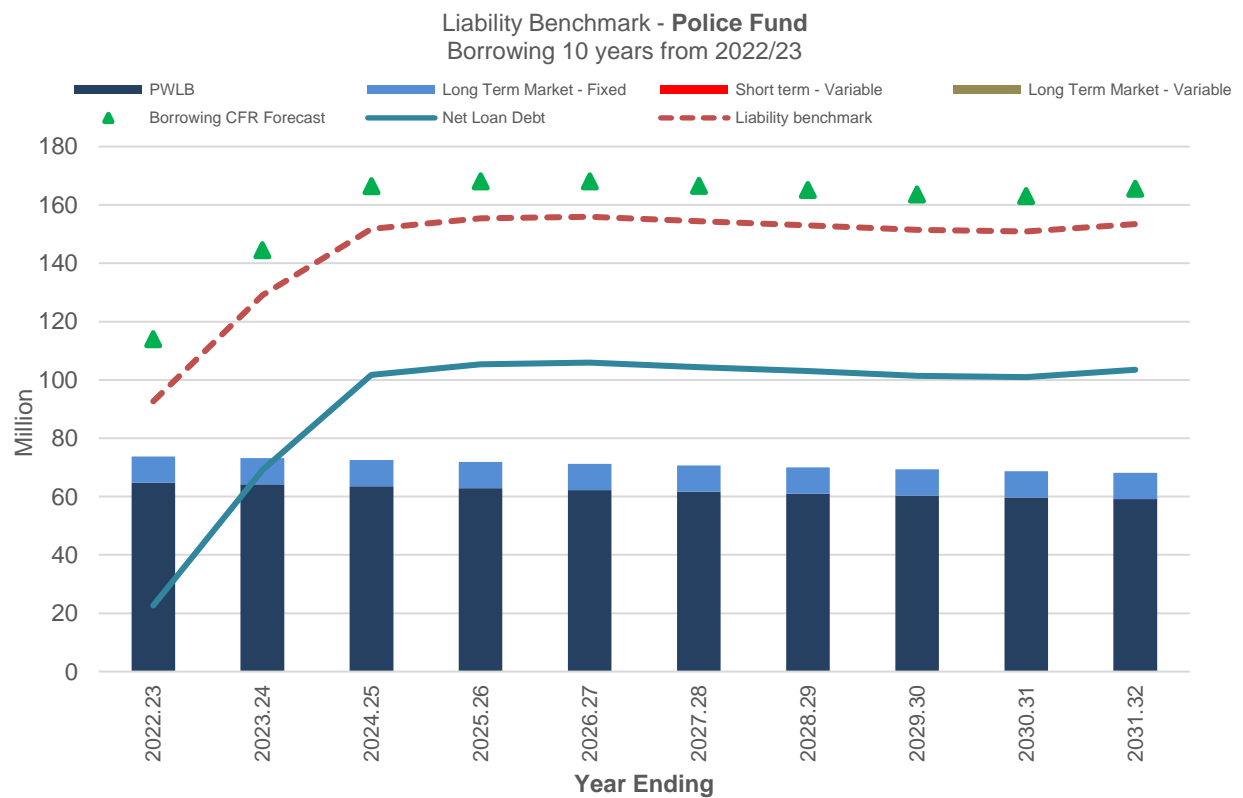
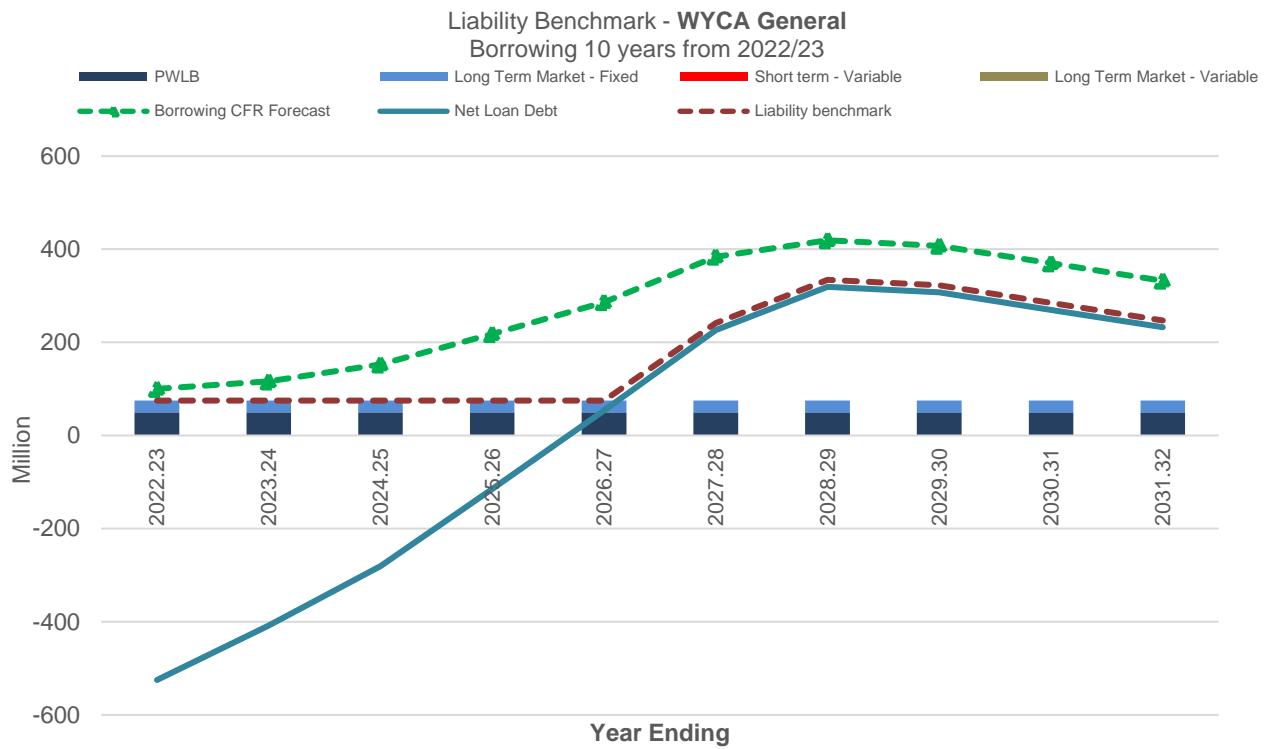
Minimum Revenue Provision (MRP) Policy Statement

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

Annex 1 - Treasury Management Strategy Statement Performance Indicators

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



Report to:	Corporate Scrutiny Committee
Date:	24 November 2023
Subject:	Gateway Review Update
Director:	Sarah Eaton, Director of Strategy, Communications and Intelligence
Author:	Anna Woodhouse, Evaluation Manager

1. Purpose of this Report

- 1.1 This report provides a progress update on the 2024 Gateway Review, including information relating to governance, risks and issues, communications activity and stakeholder engagement.

2. Information

Gateway Review Progress Update

Background

- 2.1 A version of this paper has previously been considered at Finance, Resources and Corporate Committee, whereby the Committee noted the progress made in delivering the Local Evaluation Framework document.
- 2.2 FRCC noted the detailed project timetable, key dependencies and risk mitigations as set out in the report.
- 2.3 FRCC noted the next stages of the Gateway Evaluation process and process of RAG assessment from DHLUC's Independent Panel.

2019 Gateway Review

- 2.4 Activity funded under Local Growth Fund and Gainshare is subject to a Gateway Review process every 5 years, upon which future funding is contingent (£30,000,000 per year until 2034/35 from the Local Growth Fund/Transport Fund and £38,000,000 per year for Gainshare, amounting to £68,000,000 per year).
- 2.5 The purpose of the review is to assess progress and evaluate the impact upon economic growth. This is a crucial part of the Combined Authority's accountability for public funds and provides assurance to Government that we can demonstrate a return on investment.

- 2.6 Prior to becoming a Mayoral Combined Authority, the organisation undertook this process in 2019 as a requirement of funding under the Cities and Local Growth Fund (or Growth Deal).
- 2.7 The 2019 Gateway Review evaluated interventions delivered under the West Yorkshire Plus Transport Fund (this was the part of the wider Leeds City Region Growth Deal, which drew upon gainshare funding from Government). For the purposes of this work, Leeds City Region formed part of Cohort 1 (alongside Greater Manchester, Glasgow, and Greater Cambridge).
- 2.8 The non-transport elements of the Growth Deal were not in scope for the Gateway Review evaluation process for the Cohort 1 areas but were impact evaluated by the LEP and CA – this impact evaluation was published in 2020 and can be found here - [Growth Deal Evaluation](#).
- 2.9 For the 2019 Gateway Review, the Cohort 1 evaluation was led nationally by consultants, SQW, on behalf of the government.

2024 Gateway Review

- 2.10 For the 2024 Gateway Review, we are now required to build on this work and join other members of Cohort 1 in preparing for Gateway Review 2. We will apply learning from this previous experience as appropriate.
- 2.11 However, since becoming an MCA and securing a further deal under Devolution (or Gainshare), we are also required to undergo a Gateway Review relating to this, for the purpose of which, we have been designated as a Cohort 3a area and will be preparing for this work alongside the Gateway Review 2 activity of cohort 1.
- 2.12 These two designations (Cohort 1 and Cohort 3a) along with the parallel processes which they will navigate, reflect the distinct timelines and scope of each fund and associated delivery. However, we have secured approval from the Department for Levelling Up, Housing and Communities (DLUHC) to undertake both strands of work as part of a single process. This reflects our longstanding track record of delivering in partnership on behalf of the people of West Yorkshire, enabling us to explore and communicate the impact of this work through a single narrative.
- 2.13 SQW have been commissioned again, however, this time they have been contracted directly by DLUHC and have a different role. Rather than undertaking the evaluation directly, SQW's role is that of an Independent Evaluation Panel (IEP). They have developed a National Evaluation Framework (the NEF, launched on 19 January 2023) and have supported Areas to develop their own Local Evaluation Frameworks (LEFs) and ensure alignment between the two.

- 2.14 As well as developing the Local Evaluation Framework, which sets out in detail the scope, stakeholders and methodologies, the Combined Authority is also required to conduct the evaluation. This is a substantial and complex piece of work that requires input from diverse stakeholders, with the Combined Authority leading, but with operational support from externally commissioned consultants, and guidance from the IEP (SQW). Data and evidence collected through this process will be submitted to SQW, who will use this information to write the final reports and submit them to DLUHC. A decision will then be made by DLUHC with reference to future funding.

Governance

- 2.15 Work towards the 2024 Gateway Review is governed by a Project Board chaired by the Combined Authority's Director of Strategy, Communications and Intelligence. This reflects the strategic importance of this work in securing future funding and its cross-cutting relevance across the Combined Authority.
- 2.16 The Board membership includes representatives from the Strategic Portfolio Office, reflecting the centrality of progress monitoring and financial data to the process. Representatives from each of the Investment Priorities are also important in providing steer across their respective areas of policy and delivery and feeding back key messages to wider colleagues. Strategic leads for Gainshare and West Yorkshire Plus Transport Fund respectively also provide key insights relating to the management of the two funds. Given the wide range of internal and external stakeholders whose feed in is required to ensure the success of the Gateway Review evaluation, representation from Communications and Engagement is also crucial. The membership also includes external partner representation from our local authority partners.
- 2.17 The Project Team (Gateway Review Project Manager and Project Officer), with support from the Evaluation Manager, report to the Board on a monthly basis to provide progress updates and seek strategic steer and operational guidance as required. As noted above, this is necessary, given the scale, importance, and cross-cutting nature of the project, which requires feed in from diverse stakeholders.

Project Management

- 2.18 The Project Team have made good progress at setting up the project and moving immediately into delivery. Key tasks delivered to date include finalisation of the Local Evaluation Framework, supplier engagement and development of tender documentation, communications and engagement activity, and data collection for the Mid-term Review (this includes the development of an online stakeholder survey, as well as the coordination of around 70 Project Manager consultations).

Communications and Engagement

2.19 Awareness-raising activity is currently underway to engage internal and external stakeholders as we begin the collection of data needed for the mid-term review. For instance:

- dedicated intranet page with information for internal colleagues
- VLOG (video) shared with internal and external colleagues
- Targeted email correspondence to consultees involved in the Mid-Term Review data collection
- Presentation to Chief Highway Officers, Directors of Development and Team West Yorkshire leads.

Local Evaluation Framework

2.20 The Local Evaluation Framework (LEF) was submitted to DLUHC appointed consultants, SQW (the Independent Evaluation Panel) on Friday 22nd September. The Framework covers both funds under review (Growth Deal/West Yorkshire Plus Transport Fund and Devolution/Gainshare), after it was agreed with DLUHC that we could bring the two funds within a single process. This is the culmination of significant and detailed work undertaken by members of the Evaluation Team in conjunction with externally commissioned consultants. This is reflected in the extended time taken to develop the necessary technical detail (the original deadline was 30th June, but an extension was agreed with DLUHC). The finalised LEF will be RAG rated by SQW before being submitted to Government.

2.21 The RAG rating is scored against criteria set out in the National Evaluation Framework. SQW have made clear that, due to the local nature of the evaluation being scored against a national framework that some Red and Amber ratings may be achieved and that this is acceptable and in line with other CA's currently going through this process. All ratings will be contextualised and narrative will be provided to explain the scoring. Given the technical nature of the contents and its function as a back-office document to inform the evaluation approach, it is not our intention to publish the LEF. However, results of the evaluation once complete will be published as appropriate.

2.22 The LEF sets out the scope of the evaluation work to be undertaken, in line with each of the strands set out in the National Evaluation Framework (NEF) and its requirements: Progress, Progress Plus, Impact, and Complementary Workstreams (details of all schemes in scope for each strand are provided in Appendix 1). It also details the methodologies that will be utilised under each type of evaluation. Appendix 2 details the core outcome metrics on which we have committed to report (these are not exhaustive and have been selected in consultation with Investment Priority and Transport Fund leads).

2.23 The availability of data is a key risk to the deliverability of this work and was a significant factor in the delay to which the finalisation of the LEF was subject. This is due to specific

factors relating to each of the respective funds. For example, challenges arose in relation to some of the historical projects in scope for the Growth Deal/West Yorkshire Plus Transport Fund, whereby it was not clear whether the evaluation and monitoring had been carried out in line with the original business case documentation. This lack of clarity arose from several factors including changes to plans, budget, staff-turnover and issues with data management. Significant additional work was needed to consult with internal and external colleagues to ascertain what existing data could be drawn upon to support the Gateway Review evaluation. Planning is underway to develop processes that will mitigate these risks and associated issues in future.

- 2.24 Conversely, for Devolution/Gainshare projects, which are much more recent, challenges arose around the collation of business case documentation, because PIMS (the CA's Project Information Management System) has not been consistently used for gainshare project, resulting in the need for manual collation. Whilst data has now been collected for the Mid-term Review, the activity has been recorded in the Gateway Review lessons learned log to improve data collection at the Final-term of the project and for subsequent Gateway Reviews. In addition, a PIMS working group is underway within the Combined Authority to improve future record management in the system, and to enable PIMS to be used to support more active portfolio management.
- 2.25 Nonetheless, the intensive work required to develop the LEF to this level of detail places us in a strong position as we move forward to the procurement of consultancy support to undertake the work required for the final evaluation. The LEF is essentially a plan and will serve as a core document in addition to the Statement of Requirements, providing potential bidders with a detailed account of the work to be undertaken.

Project Timetable

- 2.26 A project timetable can be found in Appendix 3
- 2.27 The project has been split into two tranches: Tranche 1 (Mid-term) and Tranche 2 (Final-term). A project timetable has been created to highlight the critical path up until January 2023, when Tranche 1 will be complete. Due to delays in finalising the LEF document, Mid-term delivery was subsequently delayed against the initial deadlines. This is highlighted in Appendix 2 within the Mid-term delivery timetable. Red milestone diamonds represent the initial evidence and mid-term report deadlines, and blue milestone diamonds represent project delivery milestones. Overall, at the Mid-term, the project is working to a 10-12 week delay on the initial timelines, as required by the process. These delays have been raised with the SQW and with DLUHC, alongside the current timetable, with which they are comfortable.
- 2.28 Whilst the Mid-term delivery is operating under this delay, the project plan and effective risk management provides confidence in our ability to deliver within the 10-12 week delay. Issues are being managed and overcome effectively, with Evaluation Team and

wider resources being assigned as necessary to complete the work required at the Mid-term.

- 2.29 As mentioned above, in addition to the Mid-term delivery, evaluation framework finalisation and procurement planning for the Final-term have been delivered concurrently to ensure there are no delays in Final-term delivery.
- 2.30 Final-term delivery is on track to start in January, and procurement to appoint an external evaluation company to undertake this work is running to time.
- 2.31 High level timetables have been produced for the Final-term. A Final-term integrated plan and critical path will be produced in conjunction with the successful appointed company that will undertake the Final-term evaluation.

Budget

- 2.32 A budget of £800k has been allocated to the project and has been equally funded by the WYTF and Gainshare Funds.
- 2.33 A project budget has been produced and the project currently forecasts to spend £780k of the allocated funds. This is to cover salary costs of the Project Manager and Project Officer (including on costs) to October 2024 and all costs associated with Evaluation activity for the Mid and Final-term reports.

3. Tackling the Climate Emergency Implications

- 3.1. Although this is not a key objective of the Gateway Review process from the perspective of DLUHC, where possible and appropriate, climate-related impacts will be explored through the evaluation (this is particularly apposite to the Transport Fund interventions in scope and activity under Investment Priority 4).

4. Inclusive Growth Implications

- 4.1. As the evaluation of impacts on productivity and growth are the primary objective of the Gateway Review, it is expected that the work will develop key insights in this area, which can be applied to future policy and delivery.

5. Equality and Diversity Implications

- 5.1. Although not a primary focus of this work, where possible and appropriate, the evaluation will draw upon sociodemographic data to enable enhanced understanding of impacts on specific groups.

5.2 More widely, the Gateway Review has equality and diversity implications insofar as future funding, and thereby the CA's ability to continue deliver the best outcomes for all the people of West Yorkshire, depends upon its success.

6. Financial Implications

6.1. There are no financial implications directly arising from this report. However, as noted above, there are significant financial implications of the Gateway Review process due to its role in unlocking future funding via the two Investment Funds under consideration.

7. Legal Implications

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

8. Staffing Implications

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

9. External Consultees

9.1. No external consultations have been undertaken.

10. Recommendations

10.1. That the Committee notes the report and provides any comment and feedback.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Schemes in Scope

Appendix 2 – Core Metrics

Appendix 3 – Project Timetable

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Appendix 1 – Schemes in Scope

Transport Fund Projects

Scheme Name	Progress	Impact	Progress Plus	Process Review Case Studies	Project Up Case Studies
Wakefield Eastern Relief Road	Complete	X			
Glasshoughton Southern Link Road	X	X		X	
East Leeds Orbital Road	X	X			X
A650 Hard Ings Road	X	X			X
Harrogate Road New Line	X	X		X	
Leeds New Station Street	X	X			
Castleford Station Gateway	X	X			
Huddersfield Narrow Canal	X		X		
Leeds Liverpool Shipley Canal	X		X		
Castleford to Wakefield Greenway Phase 4	X		X		
Leeds City Connect Phase 3	X		X		
West Yorkshire Integrated UTMC (Phase A) - Bradford	X		X		
West Yorkshire Integrated UTMC (Phase A) - Calderdale	X		X		
West Yorkshire Integrated UTMC (Phase A) - Kirklees	X		X		
West Yorkshire Integrated UTMC (Phase A) - Leeds	X		X		
West Yorkshire Integrated UTMC (Phase A) - Wakefield	X		X		
West Yorkshire Integrated UTMC (Phase B)	X		X		
West Yorkshire Integrated UTMC (Phase B2)	X		X		
West Yorkshire Integrated UTMC (Phase C)	X		X		
Rail Parking Package - Hebden Bridge	X				
Rail Parking Package - Mytholmroyd	X				
York Northern Outer Ring Road - Phase 1 (Wetherby Rd)	X				
Leeds City Centre Network & Interchange Package - Infirmary St	X				
Leeds City Centre Network & Interchange Package - Regent St	X				
Leeds City Centre Network & Interchange Package - Meadow Lane	X				
Rail Parking Package - Garforth	X				
A629 (Phase 1B) - Elland Wood Bottom to Jubilee Road	X				
Corridor Improvement Programme - Calderdale - A58 - A672 Corridor	X				
Corridor Improvement Programme - Calderdale - A646 - A6033 Corridor	X				
Corridor Improvement Programme - Kirklees - A62 Smart Corridor	X				
Corridor Improvement Programme - Leeds - Dyneley Arms	X				

Corridor Improvement Programme - Leeds - Fink Hill	X				
Corridor Improvement Programme - Wakefield - A650 Newton Bar	X				
Leeds City Centre Network and Interchange Package	X				
Leeds City Centre Network and Interchange Package - Armley Gyratory	X				
Rail Parking Package - Steeton and Silsden	X				
Corridor Improvement Programme - Bradford - A6177 Great Horton Road - Horton Grange Road	X				

Gainshare Projects

Scheme Name	Progress	Impact	Progress Plus	Process Review Case Studies	Project Up Case Studies
Employment Hub 2 (EH2)	X	X			
Employment West Yorkshire (EH3)	X	X			
Enterprise West Yorkshire	X		X		
Energy Price Crisis Emergency Business Grants	X				
COVID Economic recovery (local authorities)	X				
Business Productivity Programme	X				
Mayor's Cost of Living Emergency Fund	X				
Innovation West Yorkshire Programme	X				
Business West Yorkshire	X				
Ad:Venture (High Growth Start Up)	X			X	
Skills Connect (Re-boot extension)	X				
Develop and embed Fair Work Charter	X				
Green Jobs Taskforce and Gateway	X				X
Economic Recovery - Net Zero Region Accelerator	X				
Greener Together	X				
Social Housing Decarbonisation Fund Booster	X				
Better Neighbourhoods	X				
Business Sustainability Package	X				
Begin Bus Franchising assessment incl legal & commercial advice	X				
Creative New Deal: Beyond Brontës: The Mayor's Screen Diversity Programme	X				X
Bradford Literature Festival to support the festival in 2022	X				
Kirklees Year of Music 2023	X			X	
Leeds 2023 - Women of the World (WoW) (AKA Leeds WoW Barn)	X				
Digital Skills Green Skills and Skills Support for Business	X				

Appendix 2: Core Outcome Metrics

Transport Fund Core Output Metrics

Current Output Metric (to be achieved within current Gateway Review)	Future Metric (Beyond March 2025)*
Homes Enabled	
Existing Junctions Improved	
Length of new cycle infrastructure	
Length of Newly Built Road	
Bus Infrastructure - New Bus Lane	
Public Realm Enhanced	
New Car Parking Spaces at Rail Based Park and Ride	

*= Reflects review of core metrics ahead of Gateway 2029 – column for indicative purposes only.

Gainshare Core Output Metrics

IP	Current Metric (to be achieved within current GWR)	Future Metric (Beyond March 2025)
1: Good Jobs and Resilient Businesses	Number of businesses supported	
1: Good Jobs and Resilient Businesses	Private sector leverage	
2: Skills and training for people	Number of individuals supported	
2: Skills and training for people	Number of organisations supported	
3: Creating Great Places and Accelerated Infrastructure	Not in scope for this Gateway Review	Number of homes protected
3: Creating Great Places and Accelerated Infrastructure	Not in scope for this Gateway Review	Number of businesses protected
4: Tackling the Climate Emergency, and Environmental Sustainability	Number of community decarbonisation projects delivered	
4: Tackling the Climate Emergency, and Environmental Sustainability	Number of Homes retrofitted	

5: Delivering Sustainable, Integrated, Inclusive and Affordable Transport	Not in scope for this Gateway Review	
5: Delivering Sustainable, Integrated, Inclusive and Affordable Transport	Not in scope for this Gateway Review	
6: Creative Industries, Culture, Heritage and Sport	number of audience engagements with Culture, Heritage or Sport (e.g. attendances at events, or participation in workshops) from IP6 funded activity.	
6: Creative Industries, Culture, Heritage and Sport	number of businesses engaged (including SMEs, micro businesses, freelancers and sole traders, CICs, non-profits, cooperatives and other alternative business models) from IP6 funded activity.	

*= Reflects review of core metrics ahead of Gateway 2029 – column for indicative purposes only.

Appendix 3 – Project Timetable

Gateway Review Integrated Plan: Comms 07/11/2023				2023																												20	
Task No.	Task / Category	Resource	Deliverable	Dependencies	Notes	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	1	2				
						Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q1	Q1				
						31st	7th	14th	21st	28th	4th	11th	18th	25th	2nd	9th	16th	23rd	30th	6th	13th	20th	27th	4th	11th	18th	25th	1st	8th				
						Month	Jul	Aug	Aug	Aug	Sep	Sep	Sep	Sep	Oct	Oct	Oct	Oct	Oct	Nov	Nov	Nov	Nov	Dec	Dec	Dec	Dec	Jan	Jan				
2. Comms 2.1 SharePoint Piece UH 28-Jul 2.2 Sway / Vlog (Non Targeted) 2.2.1 Contact Alan/PA re vid AW / Comms Internal 2.2.2 Anna contact comms Internal 2.2.3 Anna Write script and review with Jairo 2.2.4 Video Production Comms / AW / AR Int / Ext 2.2.5 Sway Article Draft AW Internal 2.2.6 Arrange internal comms dissemination approach AW / PB Internal 2.2.7 Publish Sway Article inc Video Comms Internal 2.2.8 Draft External Comms Email AW External 2.2.9 Contact External Comms Team OS External 2.2.10 External Email Send Comms External 2.3 Targeted Emails 2.3.1 Identify Numbers of Email Drafts Required OS Internal 2.3.2 Draft Emails for Alan to send OS 2.3.3 Prepare Microsoft Form for Email UH 2.3.4 Send Emails to PM's (Wave 1) Sarah Milne OUT: Umar arrange meetings 2.3.6 Send Emails to e-survey respondents (Wave 3) Sarah Milne																																	
3.2 Progress Evidence - Transport Fund D1.2 3.2.1 Collect Monitoring Data (Expenditure) [Chapter 2] PMO - BW Evidence TrackJT: PM Consultations 3.2.2 Complete Chapter Monitoring Data (Expen Sum) [Chapter 2] PMO - BW D1.2 3.2.3 Agree Monitoring Data (Outputs) [Chapter 3] PMO - BW D1.2 3.2.4 Complete Chapter Monitoring Data (Outputs) [Chapter 3] PMO - BW 3.2.5 Set up PM Consultations UH 3.2.6 PM Consultations Thrive IN: Direct Comms 3.2.7 Send email to Central Team colleagues (Set up consults) 3.2.8 Central Team Consultations Thrive 3.2.9 Compile Evidence Papers [Chapter 4 / 5] Thrive D1.2 3.2.10 Prepare Evidence Paper - check cohesive document WYCA D1.2 3.3 Progress Evidence - Gainshare D1.1 3.3.1 Collect Monitoring Data (Expenditure) [Chapter 2] UH OUT: PM Consultations 3.3.2 Verify returned monitoring data / update evidence track UH / SW 3.3.3 Complete Chapter Monitoring Data (Expen Sum) [Chapter 2] PMO - SW D1.1 3.3.4 Request Monitoring Data (Outputs) [Chapter 3] AW / IP Leads D1.1 3.3.5 Complete Chapter Monitoring Data (Outputs) [Chapter 3] AW D1.1 3.3.6 Set up PM Consultations UH 3.3.7 PM Consultations Thrive IN: Direct Comms 3.3.8 Send email to Central Team (excl IP Leads) 3.3.9 Central Team Consultations Thrive 3.3.10 Compile Evidence Papers [Chapter 4 / 5] Thrive D1.1, D1.2 3.3.11 Prepare Evidence Paper - check cohesive document WYCA D1.1, D1.2 3.4 Complementary Workstream (Capacity Development) D3 3.4.1 Prepare Survey Questions UH 3.4.2 Review Survey Questions Evaluation Team 3.4.3 Compile distribution list UH 3.4.4 Build Survey into Forms / Snap OS 3.4.5 Email out e-surveys to Stakeholders OS OUT: SH Email 3.4.6 Compile/analyse stakeholder survey responses BW 3.4.7 Prepare Evidence Paper [Chapter 3] BW D3.1/3.2 3.4.8 Prepare Evidence Paper [Chapter 1 and 2] HW / CFC / CT D3.1/3.2 3.5 Impact Further Scoping 3.5.1 Produce further scoping Paper D4 3.5.2 Receive first draft from Thrive D4 3.6 Submit Evidence, Review, Report D1.1, D 1.2, D2, D3.1, D3.2, D4 3.6.1 Submit Evidence Papers (x4) D4 3.6.3 IEP Review Evidence / Questions D1.1 3.6.4 Mid Term Report Prepared Mid Term Report Deadline																																	
4.1 LEF v3 4.1.1 LEF v3 Submitted CC 26-Jul 4.1.2 LEF v3 Comments SQW/OS/AW 09-Aug 4.2 LEF v4 OUT: Tender Start 4.2.1 Meet with Thrive to arrange Impact/PP Chapter work 4.2.2 Thrive Draft Chapter 6 - GS Impact 1st draft 11-Sep 4.2.3 Thrive Draft Chapter 8 - GS PP 1st draft 11-Sep 4.2.4 Thrive Draft Chapter 7 - TF PP 1st draft 14-Sep 4.2.5 Thrive Draft Chapter 5 - TF Impact 1st draft 15-Sep 4.2.6 WYCA General Comments 4.2.7 WYCA Review and cohesive check 4.2.8 LEF v4 Submitted 4.2.9 IEP Review LEF v4 (RAG Rate) 4.2.10 LEF v4 accepted 5 Procurement 5.1 Supplier Engagement Sessions OS / AW / CS 5.2 Procurement Initiation meeting OS / AW / CS 5.3 Assess required data for input into brief AW / PMO 5.4 Understand WYCA input into tender/workpackage OS / AW / CS 5.5 Prepare Statement of Requirements / Tender Docs OS / AW / CS 5.6 Advert dispatch date CS 5.7 Deadline for clarifications CS 5.8 Deadline for clarifications responses CS 5.9 Tender Return Date CS 5.10 Bid Evaluation / Social Portal Evaluation OS / AW / UH 5.11 Consensus meetings OS / AW / UH / CS 5.12 Award Date CS 5.13 Inform unsuccessful tenderers 5.14 Legal approval JP 5.15 Contract start																																	

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Report to:	Corporate Scrutiny Committee
Date:	24 November 2023
Subject:	Scrutiny Work Programme 2023/24
Director:	Alan Reiss, Chief Operating Officer
Author:	Khaled Berroum, Statutory Scrutiny Officer

1. Purpose of this report

- 1.1 To note the current Work Programme.
- 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

Work Programme 2023/24

- 2.1 The Work Programme 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 Committee has agreed to undertake, investigate, and focus on in the municipal year (June 2023 – June 2024) within the resources, remit, and powers available.
- 2.2 The Work Programme was decided over the summer following an initial work planning meeting between Members in July, and subsequent discussions between the Scrutiny Chairs, Scrutiny Members, scrutiny officers and the lead directors and officers for each committee. During discussions, amongst other things, they considered:
 - The Committee's remit and terms of reference
 - Combined Authority's main strategic priorities and the Mayors Pledges
 - The committee's work last year and what should be rolled over
 - Major ongoing and upcoming challenges for West Yorkshire residents
 - Members' areas of expertise and interests
 - The number of meetings: three, excluding Mayors Question Time, each being two hours long
- 2.3 The joint work programme (as of the date of publication), including the other two scrutiny committees, is attached as **Appendix 1**.

Referrals to scrutiny

- 2.4 Under Scrutiny Standing Order 7, any CA 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 a scrutiny committee for consideration. The referral must be in writing to the Statutory Scrutiny Officer. The relevant scrutiny 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.
- 2.5 There are no formal referrals for this committee to consider at this meeting.

Key decisions and call in

- 2.6 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.
- 2.7 Decision-makers (both committees and officers) have two days to publish notice of a decision, at which point scrutiny members have five working days to decide whether to call in the decision, delaying its implementation, and formally requiring the decision maker to reconsider. The call-in process is outlined Section 14 of the Scrutiny Standing Orders.
- 2.8 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 chair must then decide whether to approve the call-in and delay the implementation of the decision, after which the committee has 14 days to meet, scrutinise the decision and make any recommendations. Further information is set out in Scrutiny Standing Order 14.
- 2.9 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](#).

Changes in membership

- 2.10 Since the last meeting, no changes to memberships have occurred.

Actions for the Statutory Scrutiny Officer

- 2.11 As outlined in Scrutiny Standing Order 17, the statutory scrutiny officer provides 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. Equality and Diversity Implications

5.1 There are no equality and diversity implications directly arising from this report.

6. Financial Implications

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

7. Legal Implications

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

8. Staffing Implications

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

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee notes or amends the Work Programme

11. Background Documents

[Scrutiny Standing Orders](#)

[Key Decisions Forward Plan \(as of this month\)](#)

12. Appendices

Appendix 1 – Joint Scrutiny Work Programme (as of the date of publication)

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Scrutiny Work Programmes 2023/24

Summary of main topics and meeting dates

Committee	Main topic areas	Meetings
Corporate	<ul style="list-style-type: none"> • Corporate performance monitoring • Budget, finances and resources (incl staff capacity) • Deeper devolution • Decision making and governance • Projects: ICS, Wellington House refurbishment, MCA Digital Programme, Procurement and social value 	<ul style="list-style-type: none"> • 22 September 2023 • 24 November 2023 • 19 January 2024 (MQT) • 8 March 2024 (PM)
Transport & Infrastructure	<ul style="list-style-type: none"> • Bus franchising and improvement (incl BSIP+) • Mass Transit • Strategy and policy (Local Transport Plan 4 pre-scrutiny) • Performance monitoring of transport network, bus services, passenger experience and transport projects • Housing (mayoral pledge) • Projects: Flexi Bus 	<ul style="list-style-type: none"> • 29 September 2023 • 1 December 2023 (MQT) • 26 January 2024 • 22 March 2024
Economy	<ul style="list-style-type: none"> • Economic outlook/data • Economic strategy development: strategic challenges, current / future challenges • Adult Education Budget, school engagement, training providers, and apprenticeships • Approach to business investment and support, including culture / creative industries • Monitoring performance/outputs and funding 	<ul style="list-style-type: none"> • 15 September 2023 • 17 November 2023 • 12 January 2024 (MQT) • 8 March 2024

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Corporate Scrutiny Committee

Topic	Sub-topics/focuses	Date
Strategic focus and performance monitoring	<ul style="list-style-type: none"> How is performance monitored – how does the process work? (Who monitors it? What data is collected and how is it presented?) Logic and assumptions behind deciding the actual KPI/target/objective numbers; evidence based, need based, capacity based? Is it 'arbitrary'? Focus on long term progression 'journey of delivery' for greater context – past KPIs, current, future. What impact is the CA actually making? What 'levers' does it actually have? Is there proof of 'additionality'? Strategic alignments: Region-first thinking, avoiding local parochialism; Levelling up within WY vs Leeds centricity (inclusion in KPIs and performance monitoring of it?); Competition between districts and in district priorities (especially in bidding)? 	<p>22 September 2023</p> <p>8 March 2024 (possibly returning the item)</p>
56 Budget and resources (including staff capacity)	<p><u>Budget and finances:</u></p> <ul style="list-style-type: none"> Usual budget monitoring and pre-scrutiny. Gainshare spending + Gateway Review 2023/2024. Reserves policy/level – Audit's view of risks and viability. Corporate borrowing – possibility, rules, amount. Revenue raising and additional sources of funding. Use of past data to contextualise current budget against past budgets and future projected budgets. <p><u>Staff capacity:</u></p> <ul style="list-style-type: none"> Does the organisation have the staff to deliver? Pressures between efficiency savings (e.g. vacancy management, lower pay awards in competitive market) and delivery capacity. Recruitment and retention challenges in local government – what are the areas of concern, what can be done, where can the five authorities work together (e.g. pooling resources). Progress and changes since the last staff survey analysis (and historic context). 	<p>24 November 2023 (+ Gateway Review as separate item)</p> <p>December 2023 (workshop)</p> <p>19 January 2024 (update)</p> <p>8 March (update – possibly including staff focus)</p>
Deeper devolution	<ul style="list-style-type: none"> Current status of promised powers that have not yet been devolved e.g. planning. (Autumn update?) Future status (re trailblazer schemes in GMCA/WMCA) and more devolved funding model. 	TBC – after government progresses workstream

<p>Decision making and governance.</p>	<ul style="list-style-type: none"> • What powers are needed. • Governance rules and structure etc. • How are decisions made – from the origin point (inception) of an idea (or need) to policy/service development, to scrutiny/discussion, to decision, to monitoring delivery, to evaluation. • Role of members and level of control and influence over process. • Role of officers and internal decision-making structures – when do officers decide, when do members decide. • How each stage is communicated to stakeholders (members, public) and how they are involved. • The Assurance Framework and role of PAT in project decisions/management/scrutiny/evaluation etc. • Scrutiny system. 	<p>22 September 2023 (Assurance Framework element and project decision-making)</p> <p>TBC – other elements, possibly after/alongside deeper devolution item</p>
<p>Project: ICS</p>	<p>Update on progress since last year.</p>	<p>TBC – Chair to receive briefing and suggest way forward</p>
<p>Project: Wellington House refurbishment</p>	<p>Post-project Evaluations report.</p>	<p>TBC – Chair to receive briefing and suggest way forward</p>
<p>Project: MCA Digital Programme</p>	<p>Briefing on project and progress.</p>	<p>TBC – Chair to receive briefing and suggest way forward</p>
<p>Project: Procurement and social value</p>	<p>Update from last year: methodology, risks, real value.</p>	<p>TBC – Chair to receive briefing and suggest way forward</p>

Transport & Infrastructure Scrutiny Committee

Topic	Sub-topics/focuses	Date
Bus reform and improvement	<p>Overview of long-term bus reform plans (Franchising) and short-term efforts to improve bus services in the meantime (BSIP, etc)</p> <p>Long term reforms – Bus franchising:</p> <ul style="list-style-type: none"> Background and update on bus franchising and upcoming consultation (<i>to be approved at 28 Sept CA meeting, held the day before TSC</i>) <p>Short term improvements – BSIP update and performance:</p> <ul style="list-style-type: none"> Update/changes in BSIP since 2021/22 (<i>when the committee last looked at it</i>) Most updated quarterly report and KPIs – including update on RTI accuracy (<i>considered by committee last Sept</i>). Bus network performance and passenger experience data <p>Areas of interest:</p> <ul style="list-style-type: none"> Current bus service / operator performance issues Effects of service cuts and possible solutions Public engagement, customer service quality re complaints, consultations and service changes 	<p>20 September 2023 – Overview, background and update (ahead of bus franchising consultation)</p> <p>26 January 2024 – Further update on franchising consultation and BSIP</p> <p>TBC – look at consultation report and results before March 2024 final approval</p>
Mass Transit	<p>Overview of the background to the scheme, level of funding, short term and long term timelines, main challenges, legal questions, type of systems being considered, whether it is future proof, public consultation, level of connectivity</p>	<p>26 January 2024</p> <p>Any further update based on timelines</p>
Overview and Monitoring – transport services and projects/schemes	<ul style="list-style-type: none"> KPI, projects, objectives – performance and achievement. Understand transport schemes, funding/bidding, strategic and ROI criteria, impact assessments on non-transport areas. 	<p>29 September 2023 – buses/passenger experience</p> <p>26 January 2024</p>
Strategy/policy and Local Transport Plan 4	<ul style="list-style-type: none"> Decarbonisation (and government assessment methodology) Behaviour Change and Active Travel (including bikes, e-bikes, e-scooters, and motorbikes) Freight and waterways as a resource Current and future transport trends; the pandemic and beyond (bus/rail footfall, homeworking positives vs rise in deliveries) 	<p>22 March 2024</p> <p>(LTP4 consultation in Summer 2024, for adoption in 2025)</p>

	<ul style="list-style-type: none"> • Infrastructure, energy and sustainability challenges and opportunities of future proof transport system (electricity demand vs sources, lithium dependency and mining, effect on other industries and sectors)] • Pollution, health and clean air zones 	
Housing	<ul style="list-style-type: none"> • Definitions of 'affordable' and 'sustainable' • Challenges and solutions (target vs need in region) • Available funding and what it is being spent on 	TBC
Projects: Flexi Bus	Review July Transport Cttee report and reason for non-viability and early termination, and circumstances of decision	TBC – workshop

Economy Scrutiny Committee

Topic	Sub-topics/focuses	Dates
Economic outlook and strategic challenges	<p><u>Current situation/data:</u></p> <ul style="list-style-type: none"> • Latest data and economic outlook since last year e.g. economic figures, inflation, cost of living effects • Any comparisons with neighbouring regions with overlapping economic footprints e.g. NY and GM. <p><u>Current/persistent challenges:</u></p> <ul style="list-style-type: none"> • Continuing post-pandemic challenges: effects on town centres / hospitality businesses and plans to deal with this (e.g. shopfront grants, cultural exhibitions, IT/study areas); changes in work habits and effects of people being able to work remotely on local economies and other areas. • Persistent economic challenges: NEETs, people 'missing' from data, part time work trends, over-50s/retirees returning to work, green sector/skills growth and preparation, manufacturing in need of support, inter-regional imbalances in economic growth/jobs within WY, and retention of talent within WY. <p><u>New/Future challenges:</u></p> <ul style="list-style-type: none"> • AI, automation, green/decarbonisation (+ any other disruptions?) which have accelerated recently and their potential consequences on the regional economy, businesses and jobs. • Are we prepared for these challenges? Can we get ahead of other MCAs/areas and position ourselves as leaders in these emerging markets? • Potential conflict between productivity/growth/tech advancement vs job creation/community/place/diversity considerations. <p><u>Economic Strategy update:</u></p> <ul style="list-style-type: none"> • How we are addressing the above challenges through the economic strategy + current thinking/progress + timeline for finalisation and adoption 	<p>15 September 2023 – intro and main discussion</p> <p>12 January 2024 – minor update on strategy</p> <p>8 March 2024 – update on final strategy</p>
Adult Education Budget, Schools and Training Providers	<ul style="list-style-type: none"> • Update on last year's AEB performance and this year's spending and outputs. • School engagement and young people opportunities and apprenticeships • Apprenticeships and non-university career routes 	17 November 2023
Business investment and outcomes (including culture + creative industries) and	<p><u>Business investment:</u></p> <ul style="list-style-type: none"> • How we are investing in businesses and generating outcomes <p><u>Culture and creative industries:</u></p>	8 March 2024

performance monitoring/outputs/funding	<ul style="list-style-type: none">• A mayoral objective, an increasing percentage of the region's economy and upcoming/recent city of culture events (in Bradford and Leeds) <p><u>Performance monitoring and KPIs</u></p> <ul style="list-style-type: none">• Monitoring achievement of economy targets/KPIs from the corporate plan.• "Follow the money": where is funding coming from, how is it spent, what are the revenue opportunities.• Inter-regional levelling up, avoidance of Leeds-centricity, ensuring certain areas/towns are not forgotten, place-based element of targets/KPIs e.g. number of jobs/houses/businesses supported in different districts	
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