

## **WEST YORKSHIRE COMBINED AUTHORITY**

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 5 APRIL 2018  
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON  
STREET, LEEDS**

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

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING OF THE COMBINED AUTHORITY  
HELD ON 1 FEBRUARY 2018**  
(Pages 1 - 16)

#### **For Decision**

- 5. CAPITAL SPENDING AND PROJECT APPROVALS**  
(Member lead: Cllr P Box, Director: Melanie Corcoran)  
(Pages 17 - 50)
- 6. BROADBAND APPROVALS AND SPENDING**  
(Member lead: Cllr P Box, Director: Melanie Corcoran)  
(Pages 51 - 60)
- 7. ENERGY ACCELERATOR**  
(Member lead: Cllr A Waller, Director: Liz Hunter)  
(Pages 61 - 78)
- 8. EMBEDDING INCLUSIVE GROWTH ACROSS CITY REGION  
ACTIVITY**  
(Member lead: Cllr D Sheard, Director: Liz Hunter)  
(Pages 79 - 90)
- 9. RESPONSE TO TRANSPORT FOR THE NORTH'S STRATEGIC  
TRANSPORT PLAN CONSULTATION**  
(Member lead: Cllr J Blake, Director: Liz Hunter)  
(Pages 91 - 96)

**10. TRANSFORMING CITIES FUND**

(Member lead: Cllr J Blake, Director: Liz Hunter)  
(Pages 97 - 100)

**11. GENDER PAY GAP**

(Member lead: Cllr S Hinchcliffe, Director: Angela Taylor)  
(Pages 101 - 106)

**12. CORPORATE PLANNING AND PERFORMANCE**

(Member lead: Cllr S Hinchcliffe, Director: Angela Taylor)  
(Pages 107 - 160)

**13. DEVOLUTION**

(Member lead: Cllr S Hinchcliffe, Director: Liz Hunter)  
(Pages 161 - 174)

**For Information**

**14. MINUTES FOR INFORMATION**

- (a) **MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE HELD ON 4 JANUARY 2018**  
(Pages 175 - 178)
- (b) **DRAFT MINUTES OF THE LAND & ASSETS PANEL HELD ON 5 JANUARY 2018**  
(Pages 179 - 184)
- (c) **MINUTES OF THE TRANSPORT COMMITTEE HELD ON 12 JANUARY 2018**  
(Pages 185 - 190)
- (d) **DRAFT MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE HELD ON 24 JANUARY 2018**  
(Pages 191 - 196)
- (e) **DRAFT MINUTES OF THE GOVERNANCE & AUDIT COMMITTEE HELD ON 25 JANUARY 2018**  
(Pages 197 - 202)

Signed:



**Managing Director  
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE  
WEST YORKSHIRE COMBINED AUTHORITY  
HELD ON THURSDAY, 1 FEBRUARY 2018 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Tim Swift (Vice-Chair)	Calderdale Council
Councillor Judith Blake CBE	Leeds City Council
Councillor Peter Box CBE	Wakefield Council
Councillor Andrew Carter CBE	Leeds City Council
Councillor Simon Cooke	Bradford Council
Councillor Stewart Golton	Leeds City Council
Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor David Sheard	Kirklees Council
Councillor Andrew Waller	City of York Council

**In attendance:**

Councillor Keith Wakefield OBE	Chair, Transport Committee (to minute 86 only)
Councillor Robert Light	Chair, Overview & Scrutiny Committee
Ben Still	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Heather Waddington	West Yorkshire Combined Authority (minute 93 only)
Peggy Haywood	Ministry of Housing, Communities & Local Government (minute 93 only)
Ruth Chaplin	West Yorkshire Combined Authority

**80. Apologies for Absence**

Apologies for absence were received from Councillor N Turner.

**81. Declarations of Disclosable Pecuniary Interests**

There were no pecuniary interests declared by members at the meeting.

**82. Exempt Information - Possible Exclusion of the Press and Public**

**Resolved:** That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting

during consideration of Appendix 1 to Agenda Item 5 and Appendix 1 to Agenda Item 14 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**83. Minutes of the Meeting of the Combined Authority held on 14 December 2017**

**Resolved:** That the minutes of the meeting held on 14 December 2017 be approved and signed by the Chair.

**84. Capital Spend and Project Approvals**

The Authority considered a report of the Director of Delivery on the progression and funding for the following schemes through the Combined Authority's Assurance Framework:

- Bradford Interchange Phase 1
- Bradford Interchange Phase 2
- Project Beta
- Natural Flood Management Programme
- Wyke Beck Valley Flood Alleviation
- York Outer Ring Road Junction

The Authority agreed to withdraw consideration of Project Raven as the situation had changed since publication of the agenda and this would be brought back to a future meeting.

The importance of the Natural Flood Management Programme was discussed and members requested further details regarding the individual projects included in the programme. It was suggested that an overview be provided to a future meeting, taking into account the work also being undertaken by the Yorkshire Flood and Coastal Committee and the Green Economy Panel.

It was noted that an exception report for the DfT Cycling and Walking to Work scheme had been assessed in line with the Combined Authority's Assurance Framework and had progressed directly to the Combined Authority because of timescales relating to its delivery and governance requirements of the funding stream.

Members discussed the reporting and transparency in respect of the level of detail provided for the schemes in the submitted report. The importance of engaging with the public and information being accessible was stressed and consideration would be given to the presentation of future reports. It was suggested that options such as the inclusion of a summary box, hyperlinks to the business cases, previous papers and other reports as background information for the schemes be included going forward.

It was reported that there were rigorous processes in place for assessing schemes. These were detailed in the Leeds City Region Assurance Framework which was to be considered at agenda item 10. The process included the Combined Authority's Programme Appraisal Team (PAT) considering scheme business cases and, subject to their assessment, these are then considered by the Investment Committee who would take a decision on whether to recommend the schemes to the Combined Authority for approval. It was noted that business cases were published on the Combined Authority's website. It was agreed that summary scheme performance information be included in the 'summary box'.

**Resolved:**

- (i) In respect of Bradford Interchange Phase 1 (Decision Point 2 Case Paper) –

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (a) That the Bradford Interchange Phase 1 project proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case) of the Assurance process.
  - (b) That an indicative approval to the total project value of up to £5.605m is given to be funded from the West Yorkshire plus Transport Fund, with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
  - (c) That further development costs of up to £0.100m are approved in order to progress the scheme to Decision Point 3 (Outline Business Case) taking the total project approval to £0.180m, and that the Combined Authority enter into an addendum to the existing funding agreement with City of Bradford Metropolitan District Council for total expenditure of up to £0.180m from the West Yorkshire plus Transport Fund.
  - (d) That future approvals are made in accordance with the Approval Pathway and Approval Route set out in the Case Paper. This will be subject to the scheme remaining within the tolerances outlined in the Case Paper.
- (ii) In respect of **Bradford Interchange Phase 2 – Pre-feasibility Option Development (Decision Point 2 Case Paper) -**

That following a recommendation from the Investment Committee, the Combined Authority approves £0.512m pre-feasibility funding from the WY+TF Transformational Projects Fund to support the selection of a preferred option for progressing Phase 2 of this project and that the Combined Authority enter into a Funding Agreement with City of

Bradford Metropolitan District Council for expenditure of up to £0.512m from the WY+TF Transformational Projects Fund.

(iii) In respect of **Project Beta (Decision Point 2 Case Paper) -**

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (a) That Project Beta proceeds through Decision Point 2 and work commences on Activity 4 (Full Business Case).
- (b) That an indicative approval to the proposed grant funding award £3m is given, to be funded from the Strategic Inward Investment Fund, with Full Approval to expenditure being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route set out in this report. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(iv) In respect of **Leeds City Region Natural Flood Management Scheme (Decision Point 3 Outline Business Case) -**

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (a) That the Leeds City Region Pilot Natural Flood Management Programme proceeds through Decision Point 3 and work commences on Activity 4 (Full Business Case).
- (b) That an indicative approval to the Combined Authority's contribution of £1.700m (which will be funded through from the Local Growth Deal 3 fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs). The total project value is £3.801m.
- (c) That development costs of £0.045m are approved in order to progress the scheme to Decision Point 4 and then the Combined Authority enter into a Funding Agreement for expenditure of up to £0.045m from the Local Growth Deal Fund.
- (d) That future approvals are made in accordance with the Approval Pathway and Approval Route set out in this report, including at Decision Point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme

Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(v) In respect of **Wyke Beck Valley Flood Alleviation (Decision Point 4 Full Business Case) -**

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (a) That the Wyke Beck Valley Flood Alleviation Project proceeds through Decision Point 4 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That an indicative approval to the Combined Authority's contribution of £2.600m (which will be funded through from the Local Growth Deal 3 fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route set out in this report, including at Decision Point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(vi) In respect of **York Outer Ring Road – Phase 1 (Full Business Case Decision Point 4) -**

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (a) That the York Outer Ring Road Phase 1 project proceeds through Decision Point 4 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That an indicative approval to York Outer Ring Road Phase 1 total forecast costs of up to £3.600m is given (to be funded from the West Yorkshire plus Transport Fund) with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (vii) That in respect of **Project Raven (Decision Point 2 Case Paper)** - it was agreed to withdraw consideration of the item as the situation had changed following publication of the agenda and this would be brought back to a future meeting.
- (viii) In respect of DfT Cycling and Walking to Work Fund (Activity 6 Delivery Change Request) -

That the Combined Authority approves:

- (a) That the additional funding of £6.40k offered by DfT to extend the programme is accepted by the Director of Resources as Chief Finance Officer by the deadline of 31 March 2018
- (b) The Request for Change to programme funding and timescales as outlined in the submitted report
- (c) That the spending of up to £2.14m to be funded from the West Yorkshire Cycling and Walking to Work DfT grant

## **85. Leeds City Region Growth Deal Programme Review**

The Authority considered a report of the Director of Delivery which:

- Provided an update on the implementation of the Growth Deal and sought agreement of actions to actively manage scheme performance.
- Presented recommendations following the recent Call for Projects relating to Growth Deal funding, that a number of schemes are brought forward for consideration, pending the outcome of the programme re-profiling exercise and the future availability of funding, and subject to approval through the Combined Authority Assurance Process.
- Provided an update on current activity relating to the forthcoming 2019/20 Growth Deal Review, and sought approval for an allocation of £400,000 to undertake the work required in preparation for the Gateway Review.

The performance and management of schemes in the Growth Deal was discussed. It was reported that an Investment Committee workshop would be held in March to consider the timing and profiling of projects and Combined Authority Members would be invited to take part in those discussions.

Members discussed the recent Call for Projects and the list of schemes outlined in the submitted report which were recommended for taking forward. They reiterated their request that hyperlinks be provided in future reports to any background information available. It was noted that based on the information that had been provided, the schemes would potentially

deliver direct jobs and houses by 2021. It was recognised that because of delivery timescales, the Call for Projects had been restrictive to projects that would deliver by 2021; it was however noted that there may be further opportunities to support a wider range of projects with the development of the Local Inclusive Industrial Strategy. It was proposed that a further Call for Projects be considered and this would be discussed at a future meeting of the Investment Committee.

It was noted that the Growth Deal review is a stipulation by Government. A project ceiling budget of £400,000 has been identified by Government to undertake the Gateway Review exercise in the Leeds City Region, including all lead-in activity and reporting to Central Government. It was reported that the Combined Authority was working with other LEP areas and Government to understand what the money would be spent on and how it could be reduced, including whether it was possible that some of the initial work could be undertaken in-house to reduce the expenditure.

**Resolved:**

That the Combined Authority approves:

- (i) In-principle support to the projects identified in paragraphs 2.10 and 2.11 of the submitted report and that the projects be brought forward for consideration for entry into the Combined Authority pipeline list, pending the outcome of the programme re-profiling exercise and the future availability of funding, and subject to approval through the Combined Authority Assurance Process.
- (ii) A maximum of £400,000 to be funded from the Local Growth Fund to fund the Growth Deal Review activity as detailed in the submitted report.

**86. Local Inclusive Industrial Strategy update**

The Authority considered a report of the Interim Director of Policy & Strategy which provided an update on the development of a single, bold city region strategy, owned by both the LEP and the Combined Authority that provides a compelling proposition using the city region's tech assets and opportunities to deliver inclusive growth outcomes.

It was noted that there was an ambition to deliver this work at pace in order to position the City Region so that it forms part of the first wave of Local Industrial Strategies agreed by Government by March 2019.

Members discussed and noted the update which included the draft vision statement, emerging priorities and proposals that could form the core building blocks of the local inclusive industrial strategy and the suggested approach to the development of the strategy.

In welcoming the progress to date, the following comments/observations were made:

- The important development work being undertaken across all the local authorities should be highlighted.
- Inclusive growth needs to be reflected in the emerging priorities and throughout the document.
- Ensure that the narratives are written for different audiences and take other views into account.

The opportunity to consider how businesses could be supported as the economy grows and new jobs created was recognised and the challenges in respect of skills, retraining, working practices and the apprenticeship levy were discussed. It was agreed that a skills report would be prepared for a future meeting.

**Resolved:** That the Combined Authority endorses the direction of travel on the following areas:

- (i) An updated Leeds City Region strategic framework.
- (ii) The draft vision statement as set out in paragraph 2.7 and the intention to develop further 'expressions' for different audiences.
- (iii) The emerging priorities and proposals summarised in paragraph 2.10 that could form the core building blocks of our local, inclusive industrial strategy and will be key to securing future investment.
- (iv) The proposed 'open policy' approach that intends to harness the views and influence of partners in co-producing a compelling, bold city region proposition.

## **87. West Yorkshire plus Transport Fund Transformational Programme**

The Authority considered a report of the Interim Director of Policy & Strategy on the proposed approach for the Transformational Fund which is part of the West Yorkshire plus Transport Fund (WY+TF).

It was noted that the WY+TF Growth Deal Transformational Fund provides the opportunity to undertake early development work to shape the future transformational pipeline of schemes. The WY+TF includes an allocation of £12.5m within the Transformational Fund and endorsement of £7m to develop the Leeds City Region Connectivity Strategy Priority pipeline was sought. This would take into account the recent call for projects and Inclusive Growth Corridor Plans.

Members were advised that the Investment Committee had endorsed the approach set out in the submitted report at their meeting held on 3 January 2018. It was proposed that a further report be prepared for consideration by the Investment Committee and the Combined Authority to seek approval to spend within the £7m allocation, subject to approval through the Combined Authority Assurance Process.

**Resolved:**

- (i) That the proposed approach for the West Yorkshire plus Transport Fund Transformational Fund, as set out in the submitted report, be endorsed.
- (ii) That an allocation of £7m be made within the West Yorkshire plus Transport Fund Transformational Fund to develop the Leeds City Region Connectivity Strategy Priority pipeline taking into account the recent call projects and Inclusive Growth Corridor Plans.
- (iii) That a further report be prepared for consideration by the Investment Committee and the Combined Authority to seek the capital approval to spend the £7m allocation subject to approval through the Combined Authority Assurance Process.

**88. Business Planning and Budget 2018/19**

The Authority considered a report of the Director of Resources and was given a presentation which:

- Set out the outline corporate plan for West Yorkshire Combined Authority for 2018/19 and its strategic aims on behalf of local people.
- Sought approval for the proposed revenue budget and transport levy for 2018/19, the indicative capital programme and the treasury management statement.

**Corporate Plan 2018/19**

It was reported that the Corporate Plan was in the process of being developed. A high level summary of the draft business plans for each of the organisation's five Directorates was attached at Appendix 1 and these will form the basis of the 2018/19 corporate plan which will be brought to the next Combined Authority meeting for approval. The proposed shape of the corporate plan was set out in Appendix 2.

**Revenue Budget 2018/19**

Members considered the revenue budget and transport levy for 2018/19. Details of the proposed budget for 2018/19 and early estimates for the subsequent two years were provided in Appendix 3.

The challenges in setting a balanced budget were noted together with a number of actions which had been required, including identifying budget savings and income targets required.

The proposed transport levy reduction of £1m was in response to continuing pressure on local government funding with proposals that the levy is further reduced by £1m in each of the next two years. A review would be undertaken over the next year of the way in which transport services are provided in order to reduce expenditure over the next three years. Details of

the net and gross levy by population, showing the decrease was set out in Table 2 of the submitted report together with the rebates due to each District.

Details of the Reserves Policy and position for 2017/18 were outlined in the submitted report. The workings for this year's reserves policy were set out in Table 1 and were based on the approach taken in previous years with an updated assessment of the relative risks.

### **Capital Programme 2017/18 and 2018/19**

The Combined Authority noted the capital programme for 2018/19 and subsequent years and the indicative capital programme which were outlined in the submitted report.

It was reported that the Investment Committee had considered the individual projects within the West Yorkshire plus Transport Fund (WY+TF) and would continue to be a key part of the process whereby Growth Deal and other projects are considered and recommended for progression. This would also include the further work on the call for projects. It was proposed that the arrangements for the Transport Committee to approve Integrated Block funded projects up to a value of £3m also be continued for 2018/19.

### **Treasury Management**

Members noted the Prudential Funding Statement which was attached at Appendix 4. This set out the treasury management activity in the year, the arrangements in place and details of the funding position.

#### **Resolved:**

- (i) That the approach to the corporate plan for 2018/19 be endorsed.
- (ii) That the revised budget/forecast for 2017/18 and the proposed budget for 2018/19 for the Combined Authority be approved.
- (iii) That the indicative capital programme for 2018/19 – 2020/21 be approved.
- (iv) That the Transport Committee be delegated to approve individual schemes within the integrated transport block of the 2018/19 capital programme up to a maximum cost of £3m.
- (v) That in accordance with the powers contained in the Local Government Finance Act 1988 (as amended) and by virtue of article 9(6) of the West Yorkshire Combined Authority Order and the Transport Levying Bodies Regulations 2015 (as amended) a levy of £105m be determined for the year ended 31 March 2019.
- (vi) That the Chief Financial Officer be authorised to issue the levy letter in respect of the financial year ending 31 March 2019 to the five District Councils in West Yorkshire.

- (vii) That a payment of £5.099m be made to the District Councils in accordance with Table 2 of the report.
- (viii) That the Chief Financial Officer be authorised to arrange appropriate funding for all expenditure in 2017/18 and 2018/19 subject to statutory limitation, including the most appropriate application of capital funding as set out in the report.
- (ix) That the expenditure of highways maintenance funding of £28.4m and the pothole action fund of £2.2m, to be paid quarterly to the West Yorkshire local authorities in accordance with the DfT formula be approved, and that the Director of Resources be authorised to vary these amounts should DfT revise the payments from those provisionally indicated be approved.
- (x) That the policy, effective from 2017/18, for recovering the Combined Authority costs of managing the capital programme against the capital programme spend being mainly Growth Deal, Leeds Public Transport Investment Programme and Local Transport Plan Integrated Transport be approved. For 2018/19 the estimated total value is £5.24m (2%-3%).
- (xi) That the adoption of the CIPFA Code of Practice for Treasury Management in Public Services be reaffirmed.
- (xii) That the treasury management policy as set out in Appendix 4 to the report be approved.
- (xiii) That the prudential limits for the next three years as set out in Appendix 4 to the report be adopted.

## **89. Leeds City Region Assurance Framework - Annual Review**

The Authority considered a report of the Director of Delivery which:

- Provided an update on progress relating to changes proposed to the Leeds City Region Assurance Framework arising from its annual review, and with the recently issued review of Local Enterprise Partnership Governance & Transparency (October 2017).
- Sought feedback on the updated assurance requirements and approval of the substantive form of the document following the incorporation of further changes requested, and sought authority for the Combined Authority's Managing Director to finalise the document in consultation with the Chair of the Combined Authority and the Chair of the LEP Board for submission, and to make further in-year changes as may be required.

It was reported that the Assurance Framework had to be updated annually and published on the LEP's website. Members discussed the draft document which was attached at Appendix 1 and noted that this had been

shared and discussed at meetings of the LEP Board, Overview & Scrutiny Committee and Governance & Audit Committee. The Overview & Scrutiny Committee, through their SEP Delivery Working Group, had offered level of challenge to the approach taken and were content with the current progress. It was proposed that the scrutiny sessions would continue to ensure that the Assurance Framework remains fit for purpose as this was a 'live' document.

It was noted that the changes to the Leeds City Region LEP's governance arrangements which were approved by the LEP Board on 16 January 2018 had been reflected in the document. The LEP Board had agreed the revised framework subject to any further comments from the Combined Authority and, in this respect, members' views regarding reporting and transparency which had been discussed earlier in the meeting would be incorporated. It was proposed that the Combined Authority's Managing Director would finalise the content of the Assurance Framework in consultation with the Chair of the Combined Authority and the Chair of the LEP Board prior to its submission to Government by 28 February 2018.

**Resolved:**

- (i) That the substantive form of the draft Assurance Framework, subject to the incorporation of any further feedback, be approved.
- (ii) That the Combined Authority's Managing Director be authorised to finalise the content of the Assurance Framework in consultation with the Chair of the Combined Authority and the Chair of the LEP Board, and to submit the document to Government by 28 February 2018.
- (iii) That it be noted that further changes and updates to the Assurance Framework are anticipated during the year and the Combined Authority's Managing Director be authorised to make such further changes as are appropriate, and to update the Combined Authority and the LEP Board on an annual basis.

**90. Report of the Overview and Scrutiny Committee**

The Authority considered a report of the Overview & Scrutiny Committee which put forward the findings and recommendations of a task and finish working group.

It was reported that in September 2017, the Overview & Scrutiny Committee established a cross party task and finish working group consisting of 5 members. This was to consider whether any lessons could be learnt from a review of the processes and governance relating to the award of a loan to Oxford GB2 in 2013 by the Leeds City Region Enterprise Partnership (LEP).

Members discussed the findings of the Working Group which had been considered at the meeting of the Overview & Scrutiny Committee on 24 January 2018. It was recognised that their recommendations had already been addressed by the Combined Authority in establishing and developing its Assurance Framework and governance arrangements.

In noting the improvements which had already been introduced and approving the recommendations, the Authority thanked the Overview & Scrutiny Committee for their work and the time taken to produce the thorough report on this important issue.

**Resolved:** That the Combined Authority notes the work of the Overview & Scrutiny Committee Working Group and agrees with the recommendations contained in their report. Further, the Combined Authority notes the improvements to assurance and governance that have taken place over recent years.

#### **91. West Yorkshire Combined Authority Procurement Strategy and Changes to Contract Standing Orders**

The Authority considered a report of the Director of Resources which sought approval of the new West Yorkshire Combined Authority Procurement Strategy and updated Contract Standing Orders (CSOs).

It was reported that a review of the procurement needs of the organisation had been undertaken and a new Procurement Team created. The new Procurement Strategy would cover the period 2018 to 2021 and set out a framework for committing spend and undertaking procurement activities throughout the Authority. A copy of the Procurement Strategy was attached at Appendix 1 and it was proposed that this be reviewed annually to monitor progress and update as required.

The Contract Standing Orders were attached at Appendix 2. These had been updated and approved in April 2017 and substantial changes were now required following the introduction of new working practices that would ensure greater focus on transparency and value for money

**Resolved:**

- (i) That the new Procurement Strategy to cover the period 2018 – 2021 be approved.
- (ii) That the amended Contract Standing Orders be approved.

#### **92. Governance Arrangements - Appointments**

The Authority considered a report of the Director of Resources on governance arrangements in respect of the following:

- To note a change in the Combined Authority substitutes.
- To approve the appointment of a change in local authority appointment on the Business Innovation & Growth Panel and appoint a new private sector member.
- To approve appointments to Transport for the North.

#### **West Yorkshire Combined Authority Substitute Members**

It was reported that Councillor Robert Light, on behalf of the West Yorkshire Conservative Group Leaders, had notified the West Yorkshire Combined Authority of a change in the Combined Authority substitute members as follows:

- Councillor Scott Benton (Calderdale Council) to replace Councillor Nadeem Ahmed (Wakefield Council) as substitute West Yorkshire Combined Authority member for Councillor Andrew Carter (Leeds Council).
- Councillor John Pennington (Bradford Council) to fill the vacant position of substitute West Yorkshire Combined Authority member for Councillor Simon Cooke (Bradford Council).

### **Business Innovation & Growth Panel**

It was reported that North Yorkshire County Council had notified the Combined Authority of their wish to make the following change on the Business Innovation & Growth Panel:

- Councillor Andrew Lee to replace Councillor Patrick Mulligan

Following the conclusion of the appointments process for private sector membership on the Panel, members considered the recommendation for the appointment of an additional member and details were set out in Appendix 1 to the submitted report.

### **Appointment to TfN Shadow Board**

It was reported that a number of West Yorkshire Combined Authority appointments were to be made pending TfN being established as a statutory body in April 2018 and the following appointments were agreed:

- The TfN Shadow Board - Councillor Judith Blake and Councillor Keith Wakefield as the substitute member.
- TfN when established as a statutory body - As above.
- TfN's Scrutiny Committee - Councillor Eric Firth and Councillor Barry Collins as the substitute member.

### **Resolved:**

- (i) That the change in Conservative Combined Authority substitute members be noted.
- (ii) That the Combined Authority co-opts members to the Business Innovation & Growth Panel as set out in Appendix 1 to the submitted report.

- (iii) That the Combined Authority appoints Councillor Judith Blake to the TfN Shadow Board and Councillor Keith Wakefield as the substitute TfN Shadow Board member.
- (iv) That the Combined Authority appoints Councillor Judith Blake as TfN member and Councillor Keith Wakefield as the substitute TfN member.
- (v) That the Combined Authority appoints Councillor Eric Firth to the TfN's Scrutiny Committee and Councillor Barry Collins as the substitute member.

**93. European Structural and Investment Funds - Sustainable Urban Development**

The Authority considered a report of the Director of Resources on European Structural & Investment Funds – Sustainable Urban Development (ESIF/SUD) which sought approval for the prioritisation list for SUD undertaken by the Department for Communities and Local Government (DCLG) as Managing Authority (MA), reconciled to the available budget.

At the last meeting, the Combined Authority had considered and approved the advice contained in each of the outline assessments and the prioritised list for the selection of SUD projects. The MA had now finalised their assessment, taking into account the advice provided by the Combined Authority and members considered the prioritisation list for SUD which was detailed in the exempt Appendix 1. It was noted that the total value of the projects exceeds the indicative budget attached to the Call and the MA, having taken into consideration the Intermediate Body's (the Combined Authority's) decision in respect of local strategic fit, had reconciled the projects to the budget.

Following the Combined Authority's agreement, as Intermediate Body, the MA will formally notify applicants of the outcome and progress the successful projects to the next stage. It was expected that the full applications will be presented to the Combined Authority by Summer 2018.

**Resolved:** That the prioritisation list for SUD, included in exempt Appendix 1, undertaken by the Managing Authority (MA), Department for Communities and Local Government (DCLG), reconciled to the available budget, be approved.

**94. Minutes of the West Yorkshire and York Investment Committee held on 9 November 2017**

**Resolved:** That the minutes of the West Yorkshire & York Investment Committee held on 9 November 2017 be noted.

**95. Minutes of the Overview and Scrutiny Committee held on 15 November 2017**

**Resolved:** That the minutes of the Overview & Scrutiny Committee held on 15 November 2017 be noted.

**96. Minutes of the Transport Committee held on 17 November 2017**

**Resolved:** That the minutes of the Transport Committee held on 17 November 2017 be noted.

**97. Draft Minutes of the Green Economy Panel held on 21 November 2017**

**Resolved:** That the draft minutes of the Green Economy Panel held on 21 November 2017 be noted.

**98. Draft Minutes of the Governance and Audit Committee held on 28 November 2017**

**Resolved:** That the minutes of the meeting of the Governance & Audit Committee held on 28 November 2018 be noted.

**99. Draft Minutes of the Employment and Skills Panel held on 4 December 2017**

**Resolved:** That the draft minutes of the Employment & Skills Panel held on 4 December 2017 be noted.

**100. Draft Minutes of the West Yorkshire and York Investment Committee held on 3 January 2018**

**Resolved:** That the draft minutes of the West Yorkshire and York Investment Committee held on 3 January 2018 be noted.




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**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Capital Spending and Project Approvals**

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**Director:** Melanie Corcoran, Director of Delivery

**Author(s):** Caroline Coy

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## 1 Purpose of this report

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Deal, for consideration by the Combined Authority’s assurance process.
- 1.2 This report presents proposals for the progression of six schemes through the Combined Authority’s assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £18.415 million when fully approved, of this amount £17.915 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £3.010 million is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.

Scheme	Decision sought	Scheme description
Rail Park and Ride Programme – Garforth Rail Station Car Park Project <i>Leeds Scheme</i>	Approval to proceed beyond decision point 2 (case paper) and provide formal entry into the Growth Deal Programme. Total value - £825,000 Total value of Combined Authority Funding - £825,000 Funding recommendation sought - £45,000 Approval to proceed beyond decision point 2 (case paper)	A project that will improve access to the main urban centres and deliver an increase in car parking capacity at Garforth Rail Station.
Apprenticeship Grants for Employers (AGE) Extension <i>Leeds City Region Scheme</i>	Approval to proceed beyond decision point 2 (case paper) and provide formal entry into the Growth Deal Programme. Total value - £1.2 million	An extension to a grant fund which engages SMEs to offer apprenticeships.

	<p>Total value of Combined Authority Funding - £1.2 million</p> <p>Funding recommendation sought - £0 million</p> <p>Approval to proceed beyond decision point 2 (case paper)</p>	
<p>North East Calderdale Transformational Programme</p> <p><i>Calderdale</i></p>	<p>Approval to proceed beyond decision point 2 (case paper) and provide formal entry into the Growth Deal Programme.</p> <p>Total value - £400,000</p> <p>Total value of Combined Authority funding - £400,000</p> <p>Funding recommendation sought - £400,000 million</p> <p>Approval to proceed beyond decision point 2 (case paper)</p>	<p>A scheme to enhance north-south connectivity between Calderdale and neighbouring districts such as the A629 in Halifax town centre and A641 scheme between Brighouse and Bradford/Huddersfield.</p>
<p>Inclusive Growth Corridors and the Transformational Programme</p> <p><i>Leeds City Region Scheme</i></p>	<p>Approval to proceed beyond decision point 2 (case paper) and provide formal entry into the Growth Deal Programme.</p> <p>Total value - £7 million</p> <p>Total value of Combined Authority funding - £7 million</p> <p>Funding recommendation sought - £2.395 million</p> <p>Approval to proceed beyond decision point 2 (case paper)</p>	<p>Programme to develop Inclusive Growth Corridor Plans and carry-out initial feasibility works on identified schemes.</p>
<p>Growing Places Fund (GPF) LEP Loan 319</p> <p><i>Leeds Scheme</i></p>	<p>Approval to proceed beyond decision point 3 to approve the outline business case.</p> <p>Total value - £1.5 million</p> <p>Total value of Combined Authority funding - £1 million</p> <p>Funding recommendation sought - £0 million</p> <p>Approval to proceed beyond decision point 3 (outline business case)</p>	<p>A project to construct a bridge providing connectivity for pedestrians and cyclists across the River Aire which forms part of the South Bank Leeds regeneration plans.</p>
<p>The West Yorkshire Urban Traffic Management Control (UTMC)</p> <p><i>West Yorkshire-wide scheme</i></p>	<p>Approval to proceed beyond decision point 3 to approve the outline business case.</p> <p>Total value - £7.490 million</p> <p>Total value of Combined Authority funding - £7.490 million</p> <p>Funding recommendation sought - £170,000</p> <p>Approval to proceed beyond decision point 3 (outline business case)</p>	<p>The West Yorkshire Urban Traffic Management Control (UTMC) project aims to reduce the effects of congestion and the resulting costs to the local economy.</p>

- 1.3 This report also presents recommendation for the following scheme that has had a change request assessed in line with the Combined Authority's assurance process. This scheme has a total funding value of £17.68 million when fully approved, all of which will be funded by the Combined Authority. A total expenditure recommendation to the value of £10.43 million is sought as part of this report for the delivery of this scheme.

Further details on the scheme is summarised below can be found as part of this report.

Scheme	Decision sought	Scheme Description
West Yorkshire and York Broadband Infrastructure Programme	<p>Activity 6 (delivery) change request to authorise spending of additional funding received.</p> <p>Total value - £17.68 million</p> <p>Total value of Combined Authority Funding - £17.68 million</p> <p>Funding recommendation sought - £10.43 million</p> <p>Change request – To further extend the reach and life of the Contract 2 of the programme and utilise the additional £10.43 million funding the Combined Authority has received.</p>	To provide superfast fibre broadband to areas of West Yorkshire and York in areas that are currently not covered by British Telecom.

1.4 The Combined Authority’s assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority’s entry into a funding agreement with the scheme’s promoter.
- The assurance pathway and approval route for future decision points.
- The scheme’s approval tolerances.

This report provides information required to enable the Combined Authority to approve each of the above elements.

## 2 Information

2.1 This report puts forward proposals for the progression of, and funding for, a number of schemes for approval by the Combined Authority, following consideration by the West Yorkshire and York’s Investment Committee. The Combined Authority will recall that a three stage approach has been introduced as part of an enhancement to current project management arrangements, with the requirement that all projects subject to minor exceptions as detailed in the assurance framework, will as a minimum, need to formally pass decision point 2 (case paper approval) and 5 (final cost approval) highlighted below, with the requirement to meet the intervening activities deemed on a project by project basis.

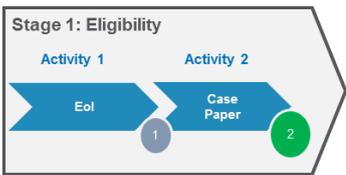


- 2.2 The Programme Appraisal Team (PAT) appraises all schemes at the decision points. The PAT consists of an independent panel of officers representing policy, legal, financial, assurance and delivery. The scheme promoters from our partner councils or partner delivery organisations attend the meeting to introduce the scheme and answer questions from the panel. The terms of reference for the PAT are contained within the Leeds City Region Assurance Framework.
- 2.3 The six schemes that have been set out in this report have been considered by the Investment Committee and have been recommended for approval. These are summarised as:

Rail Park and Ride Programme – Garforth Rail Station Car Park Project	Decision point 2 (case paper)
Apprenticeship Grants for Employers (AGE) Extension	Decision point 2 (case paper)
North East Calderdale Transformational Programme	Decision point 2 (case paper)
Inclusive Growth Corridors and the Transformational Programme	Decision point 2 (case paper)
GPF LEP Loan 319	Decision point 3 (outline business case)
The West Yorkshire Urban Traffic Management Control (UTMC)	Decision point 3 (outline business case)

**Programmes and projects for consideration**

**Projects in Stage 1: Eligibility**



- 2.4 Projects at the eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, with further project definition including costs and detailed timescales to be developed as the project progresses through the assurance process. At this stage funding may be sought to enable this work to progress.

**2.5 Rail Park and Ride Programme – Garforth Rail Station Car Park Project (decision point 2 – case paper)**

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

**Background**

2.5.1 The Garforth Rail Station Car Park project forms part of Phase 1 of the Rail Park and Ride Programme being delivered as part of the Transport Fund. The scheme will deliver improvements and additional capacity at the existing rail station car park to improve access to the main urban centres and increase parking capacity within West Yorkshire, supporting sustainable employment growth in the centres and commuting by rail. There is an increasing demand forecast to provide extra car parking spaces at this rail station.

2.5.2 The project will deliver against Priority 4 of the Strategic Economic Plan, (Infrastructure for Growth) along with delivering against the West Yorkshire Transport Strategy and Rail Plan 7. This will be achieved through improving travel options for car users and integrating and enhancing the public transport network in the form of new park and ride facilities helping to increase rail patronage and improve customer satisfaction.

2.5.3 The project is being managed by the Combined Authority in partnership with Network Rail and Arriva Rail North as land owner and station operator. Initial designs have been developed and it is expected that the project will deliver the following; increases in car park capacity for both standard and blue badge users, environmental and energy efficiency measures, reduced on street parking and increased security and safety for customers.

**Outputs and benefits**

2.5.4 The project will contribute to the overall objectives of the Transport Fund, to increase employment and productivity growth, improve employment accessibility and be carbon neutral. It is expected that the project will deliver the following outputs:

- An estimated 97 additional car park spaces (standard and blue badge), representing a 35% increase in capacity.
- Increase the number of blue badge spaces from 5 to 17; achieving Department for Transport (DfT) requirements.
- Environmental and energy efficiency measures (low energy lighting, drainage and future proofing for electric vehicle charging).

- Reduce on-street parking on adjacent streets.
- Improve security and safety through CCTV, improved layout and vehicle access arrangements.
- An assessment of the current provision for cyclists and pedestrians with a view to providing enhanced facilities.

2.5.5 The project will contribute to the overall expected benefits of the Rail Park and Ride Programme which include an incremental Gross Value Added (GVA) of £11.4 million and employment benefits of 154 jobs created county wide through improved access to employment and extended free parking. The benefit to cost ratio (BCR) of the Garforth Rail Station Car Park project has been assessed at 4.8:1, providing high value for money.

### **Risks**

2.5.6 The key risks and mitigating actions for this scheme are listed below:

- Planning consents may be required for highway access: the project team are already liaising with Leeds City Council to assess and agree any planning requirements.
- Potential scope for additional spaces is feasible if the land occupied by the Vets Practice is made available, though would impact on delivery timescales. Network Rail have confirmed that the land is not available.
- Additional disabled spaces (in line with guidance) may result in unused spaces. Project Team seeking clarification to input at detailed design stage.
- Ongoing interface with Network Rail Trans-Pennine route upgrade required at design stage however Interface meetings with the East TRU team have confirmed that the car park design will not be affected.
- Low level retaining wall may be required increasing cost however this has been included in the overall budget forecast of £825,000.

### **Costs**

2.5.7 The total cost to deliver the project is £825,000 to be funded through the Transport Fund.

2.5.8 The project has £14,000 approved to date to deliver the initial feasibility and design and a further £45,000 is sought to develop the project to full business case with finalised costs.

### **Timescales**

2.5.9 The project is advanced and it is expected that the full business case with finalised costs will be completed by September 2018.

- Construction will commence December 2018.

- Construction to complete May 2019.

### **Assurance pathway and approval route**

2.5.10 The table below outlines the proposed assurance process and corresponding approval route for this scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

<b>Assurance pathway</b>	<b>Approval route</b>
Decision point 2 (case paper)	<ul style="list-style-type: none"> <li>• Recommendation – Investment Committee</li> <li>• Approval – the Combined Authority</li> </ul>
Decision point 3 (outline business case)	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Decision point 4 (full business case)	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Decision point 5 (full business case with finalised costs)	<ul style="list-style-type: none"> <li>• Recommendation – Programme Appraisal Team</li> <li>• Approval – the Combined Authority’s Managing Director delegated decision</li> </ul>

### **Tolerances**

2.5.11 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further consideration:

- That the total project costs remains within 10% of the costs identified within this report.
- That the project delivery timescale remains within three months of the timescales identified within this report.

### **Project responsibilities**

2.5.12 The key project responsibilities are:

- Senior Responsible Officer: Melanie Corcoran, Combined Authority officer
- Project Manager: Sara Brook, Combined Authority officer
- Combined Authority case officer: Fiona Limb

### **Recommendations**

2.5.13 That the Combined Authority approves that:

- The Garforth Rail Station Car Park project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
- An indicative approval to the total project value of £825,000 is given from the Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- Development costs of £45,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £59,000.
- The Combined Authority enter into a funding agreement (Section 56) with Arriva Rail North for expenditure of up to £45,000 from the Transport Fund.
- Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority’s Managing Director following a recommendation by the Combined Authority’s Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

**2.6 Apprenticeship Grants for Employers (AGE) Extension (decision point 2 case paper)**

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

**Background**

- 2.6.1 The Combined Authority has devolved responsibility for the use of the grant to engage SMEs in offering apprenticeships across the Leeds City Region – a direct link and support of The Government’s “3 million additional apprenticeship starts” priority.
- 2.6.2 Since summer 2015, as a result of an agreement on devolution, the Combined Authority has been in receipt of funding via funding agreements with BEIS/Skills Funding Agency for local delivery of the Combined Authority element of the national Apprenticeship Grant for Employers (AGE). The funding agreements over three financial years had a combined value of £8.062 million and were offered for financial years 2015/16, 2016/17 and 2017/18. £6.520 million of the original funding has been used to support 2,924 businesses to offer apprenticeships (excluding salaries and delivery resources).

2.6.3 At the end of each financial year the Combined Authority has been authorised to rollover any unallocated funding. After taking out grant payments and the Combined Authority's programme delivery, some funding has remained unallocated each year. The Combined Authority are currently processing final payments and estimate that £1- £1.2 million remains unallocated. Following a request to retain the unallocated funds in order to continue a localised grant scheme, the ESFA (Education and Skills Funding Agency) have confirmed that DfE (Department for Education) and MHCLG (Ministry of Housing Communities and Local Government) have agreed that the Combined Authority can retain the devolved AGE funding subject to the Combined Authority continuing to use the funding to support the uptake of apprenticeships. DfE and MHCLG are interested in 'understanding the positive evidence concerning the impact of AGE on boosting apprenticeship starts' that is emerging within the Leeds City Region.

### **Outputs and benefits**

2.6.4 The outputs and benefits for the scheme are as follows:

- A minimum of 375 businesses engaged.
- A minimum of 375 apprenticeships supported.
- Over 10 years this has the potential to generate a wage premium impact of £8.4 million.
- By year 10 this results in a return on investment for the LEP i.e. for every £1 invested in the programme some £7 is generated.

### **Risks**

2.6.5 The key risks highlighted in the project risk register are:

- ICT supplier not meeting development timescales for the online application process which will be managed by ensuring the plan for ICT includes enough time for corrective action.
- Insufficient/ineffective marketing activity to promote the grant which will be managed by a communications plan regularly reviewed throughout the scheme.
- Expectation management to stakeholders/partners around funding conditions which will be managed by planned, targeted marketing and communications.

### **Costs**

2.6.6 £1.2 million grant funding from unallocated AGE Programme 2015-2017 funds devolved to the Combined Authority from the Education and Skills Funding Agency and agreed with DfE/MHCLG.

### **Timescales**

2.6.7 The timescales for the scheme are as follows:

- Programme starts April 2018
- Programme completion September 2019
- Programme evaluation September/October 2019

**Assurance pathway and approval route**

2.6.8 The table below outlines the proposed assurance process and corresponding approval route for this scheme.

Assurance pathway	Approval route
Decision point 2 (case paper)	<ul style="list-style-type: none"> <li>• Recommendation – Investment Committee</li> <li>• Approval – the Combined Authority</li> </ul>
Decision point 5 (full business case with finalised costs)	<ul style="list-style-type: none"> <li>• Recommendation – Programme Appraisal Team</li> <li>• Approval – the Combined Authority’s Managing Director delegated decision</li> </ul>

**Tolerances**

2.6.9 In order for this scheme to follow the assurance pathway and approval route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further consideration:

- That programme costs remain within £1.2 million.

**Project responsibilities**

2.6.10 The key project responsibilities are:

- Senior Responsible Officer: Sue Cooke, Combined Authority officer
- Project Manager: Catherine Lunn, Combined Authority Officer
- Combined Authority’s case officer: Martin Fox

**Recommendations**

2.6.11 That the Combined Authority approves that:

- The AGE Extension Programme proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
- An indicative approval to the total grant fund value of £1.2 million is given to be funded from the unallocated AGE Programme 2015-2017 funds with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).

- Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority’s Managing Director following recommendation by the Combined Authority’s Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

## 2.7 North East Calderdale Transformational Programme study (decision point 2 case paper)

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

### Background

- 2.7.1 This is a programme to transform connectivity in and around north east Calderdale, enable businesses and people to access work opportunities, make the area more attractive for inward investment in housing and employment, and minimise the carbon and air pollution impacts of transport. The programme area comprises the north east section of Calderdale extending from the A629 in Halifax town centre in the west to the A641 on the eastern edge of Calderdale.
- 2.7.2 The Combined Authority’s funding will be used to develop a strategic case for investment in north east Calderdale and to define a holistic programme of transformational multi-modal interventions to realise the objectives set out in that strategic case. This will build on the emerging strategic case for interventions in north east Calderdale and have a key interface with the south east Calderdale programme and the wider Transport Fund funded schemes in the borough.
- 2.7.3 This transformational scheme will take a broader approach than the currently planned and funded schemes in place, considering the entire north east Calderdale area and exploring how all modes can contribute to enhancing connectivity. The scheme will not only facilitate additional growth in the area, beyond the period of the current Local Plan, but it will enhance an important strategic route in the Leeds City Region and the North of England.
- 2.7.4 The total funding sought at this point is £400,000 in order to develop the scheme through pre-feasibility and gain decision point 2 (case paper) approval.
- 2.7.5 It is envisaged that the further development and subsequent delivery of the identified programme interventions will be funded by a future funding package,

yet to be agreed with government, following the completion of the Transport Fund.

### **Outputs and benefits**

2.7.6 This initial piece of work will set out the strategic case for interventions in north east Calderdale, building on the emerging strategic case described in this expression of interest. It will then define a package of multimodal interventions that will deliver these strategic objectives. Finally, it will explore funding mechanisms for delivering these interventions, including public sector and private sector funding.

2.7.7 The outputs include:

- Provide an evidence base to demonstrate how current connectivity constraints act as a barrier to growth in north east Calderdale and in neighbouring parts of Calderdale and other districts.
- Set objectives for transport interventions in north east Calderdale; scope out long list of multi-modal transport interventions that might address these connectivity constraints.
- Recommend a set of preferred interventions to solve these connectivity constraints at a pre-feasibility level of detail.
- Explain the benefits of these interventions, including the employment and housing growth they could unlock, and establish whether there is a strategic case for them.
- Set out a possible timeframe for developing and delivering these interventions and calculate the costs of delivery at a high level.

### **Risks**

2.7.8 The key risks highlighted by the project promoter include:

- The source of future funding to deliver the interventions identified through the pre-feasibility study which will be managed through regular meetings with partner councils.
- The interface with schemes in the current Transport Fund which are themselves at an early stage of development. This most particularly relates to the A641 programme but also the proposed A629 (N) Corridor Improvement Programme scheme mitigated through careful project management.
- The location of the Northern Powerhouse rail station in Bradford, which is a key inter-dependency for transformational interventions in north east Calderdale managed through alignment with Transport for the North.
- Gaining community and political buy in to any emerging preferred scheme through a stakeholder engagement and communications plan.

## Costs

2.7.9 Development costs are £400,000 to include Calderdale staffing, consultancy input, risk management, contingency, and the Combined Authority project management. The full amount will be funded by the Combined Authority.

## Timescales

2.7.10 The timescales for the scheme are as follows:

- Pre-feasibility works to commence following approval of expression of interest and case paper at the Combined Authority: April 2018
- Work commences on behalf of Calderdale Council: June 2018
- Strategic case and package of preferred interventions including exploring funding opportunities: May 2019

## Assurance pathway and approved route

2.7.11 The table below outlines the proposed assurance process and corresponding approval route for this scheme.

Assurance pathway	Approval route
Decision point 2 (case paper)	<ul style="list-style-type: none"><li>• Recommendation – Investment Committee</li><li>• Approval – the Combined Authority</li></ul>

## Tolerances

2.7.12 In order for the scheme to follow the assurance pathway and approval route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further consideration:

- That the total project cost remains within 5% of the costs identified within this report.
- That the project delivery timescales remains within three months of the timescales identified within this report.

## Project responsibilities

2.7.13 The key project responsibilities are:

- Senior Responsible Officer: Steven Lee, Calderdale Council
- Project Manager: Laura Greenan, Combined Authority officer
- Combined Authority case officer: Charlotte Churnside

## Recommendations

2.7.14 That the Combined Authority approves that:

- The North East Calderdale Transformational Programme study proceeds through decision point 2 (case paper) and work commences on the strategic case for the programme.
- Full approval is given for the total study costs of £400,000.
- The Combined Authority enters into a funding agreement with Calderdale Council for expenditure of up to £400,000 to be funded from the Transport Fund.
- Any change requests relating to the study are made in accordance with the approval pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

## 2.8 Inclusive Growth Corridors and the Transformational Fund (decision point 2 case paper)

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

## Background

2.8.1 The Growth Deal approved Transport Fund programme includes £12.5 million allocated to the development (not construction) of transformational projects through the Transformational Fund. This fund provides the opportunity to undertake early development work to shape the future transformational pipeline of schemes which meet the aspirations of the region beyond our existing planned programmes and projects.

2.8.2 Following consideration at the meeting on 3 January 2018 by Investment Committee, on 1 February 2018 the Combined Authority endorsed funding of £7 million to be allocated from the Transport Fund Transformational Fund for the development of the Inclusive Growth Corridor Plans.

2.8.3 The Combined Authority had considered the details of the Leeds City Region HS2 Connectivity Strategy at its meeting on 14 December 2017. The December report set out that the City Region's HS2 Connectivity Strategy will establish the major local and regional connectivity priorities which are required to enable and maximise growth associated with HS2 coming to the Leeds City

Region. The strategy has three emerging strands and stakeholder led public engagement is currently on-going. The strands can be summarised as follows:

- Embracing technology to create an integrated network.
- Continued government support for delivering our existing transport priorities.
- Delivering inclusive growth through transforming connectivity on the corridors where the economic need is greatest.

2.8.4 The £7 million of indicative funding allocated through the Transport Fund Transformational Fund would be used to support development of the Inclusive Growth Corridor Plans and includes undertaking initial feasibility work for the transformational schemes identified through these corridor plans. This work will be central to defining the future strategic pipeline of schemes across the City Region and links into the emerging Local Inclusive Industrial Strategy. In identifying the pipeline, the work will take into account the recent call for projects as well as look across the range of policy areas including housing and employment, flooding and social policy as well as the transformational connectivity required to support each of these.

2.8.5 The Inclusive Growth Corridor Plans Work has been set into three phases:

- **Phase 1:** Work required to enable completion of the corridor plans and connectivity strategy.
- **Phase 2:** Work to complete a transformational transport modelling tool for the Leeds City Region.
- **Phase 3:** Work to complete the development of additional corridors as well as undertaking technical feasibility and outline design work.

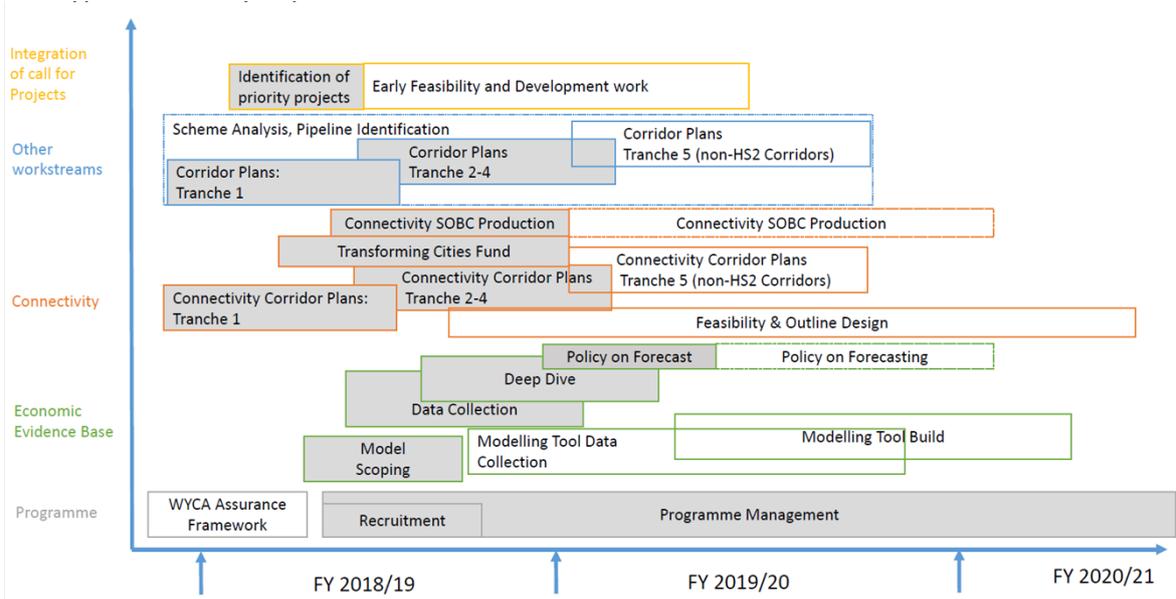
2.8.6 Phase 1 has currently been reviewed through the Combined Authority assurance framework as a case paper and is seeking approval for £2.395 million.

### **Outputs and benefits**

2.8.7 Phase 1 entails the work required to enable completion of the corridor plans and connectivity strategy. The outputs from this phase are:

- Integration of call for projects and identification of priority projects.  
Development of the corridor plans: tranche 1-4.
- Detailed economic evidence data collection.
- Development of the strategic outline business base for the connectivity elements of the programme.
- Preparation and submission of the Transforming Cities Fund bid to DfT.
- Development of the connectivity corridor plans: tranche 1-4.

2.8.8 The following shows the interdependencies between the workstreams. The workstreams highlighted are the phase 1 works:



**Risks**

2.8.9 A detailed risk register will be developed as the programme controls are established. At this stage of development, key risks highlighted through the case paper are as follows:

- Political and stakeholder support for development and implementation of the strategy across the City Region.
- The source of future funding to deliver the interventions identified through the pre-feasibility study.

**Costs**

2.8.10 A total of £7 million from the Transport Fund has been allocated to deliver phases 1-3 subject to approval through the Combined Authority’s assurance process.

2.8.11 The proposed spend for Phase 1, a total of £2.395 million is highlighted in the table below.

Workstream	Budget	Phase 1 outputs delivered
Programme management	£300,000	<ul style="list-style-type: none"> <li>Detailed economic evidence data collection for priority corridors</li> <li>Deep dive research around transport constraints for communities along the corridors</li> <li>Assessment of business case modelling tools required to assess the priority interventions</li> <li>Integration of 'call for projects' within the corridor plans</li> <li>Completing the Leeds City Region Connectivity Strategy including development of the corridor plans</li> <li>Pipeline of transformational connectivity projects which meet local requirements on the priority corridors.</li> <li>Informing the spatial component of the Local Inclusive Industrial Strategies</li> <li>Initial feasibility development work for the connectivity components of the programme</li> <li>Inputting into the Transforming Cities Fund feasibility work</li> </ul> <p>The work will be delivered by the Combined Authority's Policy &amp; Strategy officers working in conjunction with partner councils, and where required this will be supplemented by external expertise to meet technical and capacity requirements.</p>
Economic evidence base	£700,000	
Transformational connectivity & future technology	£845,000	
Major future housing & regeneration	£200,000	
Environment / clean energy	£50,000	
Place & community engagement and communications	£300,000	
<b>Total</b>	<b>£2,395,000</b>	

## Timescales

2.8.12 The timescales for the scheme are as follows:

- Phase 1**  
 Start April 2018.  
 Whilst many of the outputs from Phase 1 will be completed by April 2019, some of the programme management tasks will continue to April 2021.
- Phase 2 & 3**  
 These phases will be brought forward for approvals as the detailed scope and methodology has been developed in the coming months.

## Assurance pathway and approval route

2.8.13 The table below outlines the proposed assurance process and corresponding approval route for this scheme.

Assurance pathway	Approval route
Decision point 2 (case paper)	<ul style="list-style-type: none"> <li>Recommendation – Investment Committee</li> <li>Approval – the Combined Authority</li> </ul>

## Tolerances

2.8.14 In order for the scheme to follow the assurance pathway and approval route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further consideration:

- That the total Phase 1 project cost remains within 5% of the costs identified within this report.
- That the project delivery timescale remains within three months of the timescales identified within this report.

## Project responsibilities

2.8.15 The key project responsibilities are:

- Senior Responsible Officer: Liz Hunter, Combined Authority officer
- Project Manager: Tom Gifford, Combined Authority officer
- Combined Authority case officer: Martin Fox

## Recommendations

2.8.16 That the Combined Authority approves that:

- The Inclusive Growth Corridors and the Transformational Fund Phase 1 proceeds through decision point 2 (case paper) and work commences on the completion of the Corridor Plans and Connectivity Strategy.
- Indicative approval to the total programme value of £7 million is given and full approval of £2.395 million for Phase 1 is approved.
- Any change requests relating to Phase 1 are made in accordance with the approval pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

## Projects in Stage 2: Development



2.9 Projects at Development stage should demonstrate that they have tested the feasibility of a solution through their business case. This business case should then be developed in order to confirm and detail the preferred solution including finalising its cost.

## 2.10 Growing Places Fund 319 Loan (decision point 3 outline business case)

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

### Background

- 2.10.1 This is a new Growing Places Fund loan from an existing borrower for the construction of a bridge where a modular housing manufacturing facility has been constructed and house building is underway.

### Outputs and benefits

- 2.10.2 The scheme will deliver the following outputs and benefits:
- The project will provide infrastructure and connectivity to enhance the regeneration of the South Bank area of Leeds.
  - It will connect the northern half of the new development and the Richmond Hill area of Leeds to the Trans-Pennine Trail for cycling and walking facilities on the South Bank including colleges and the Royal Armouries.
  - Pleasant public realm will be created around the bridge and this will make it an attractive choice to walk/cycle next to the river than walk beside a dual carriageway to catch a bus.
  - House sales will be accelerated at the development.

### Risks

- 2.10.3 The key risks highlighted for this scheme are:
- Property sales on the site are not as accelerated as anticipated requiring more time to re-pay the loan. A change request to enable later repayment would be required.
  - Bridge construction plan takes longer than anticipated, postponing the benefits of the scheme.
  - That security for the loan may not be realised. This risk will be reduced by an independent valuation assuring there is adequate value in the land offered as security.

## Costs

- 2.10.4 The total costs of the scheme is £1.5 million.
- 2.10.5 Scheme costs will be funded through a £1 million Combined Authority loan (to be repaid with interest in 5 years or less) and an anchor contribution.

## Timescales

- 2.10.6 The loan is required for April/May 2018 to enable installation of the bridge by October 2018.

## Assurance pathway and approval route

- 2.10.7 The table below outlines the proposed assurance process and corresponding approval route for this scheme.

Assurance pathway	Approval route
Decision point 3 (outline business case)	<ul style="list-style-type: none"><li>• Recommendation – Investment Committee</li><li>• Approval – the Combined Authority</li></ul>
Decision point 5 (full business case with finalised costs)	<ul style="list-style-type: none"><li>• Recommendation – Programme Appraisal Team</li><li>• Approval – the Combined Authority's Managing Director delegated decision</li></ul>

## Tolerances

- 2.10.8 In order for the scheme to follow the assurance pathway and approval route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further consideration:
- That the total project cost remains within the costs identified within this report.
  - That the project delivery timescale remains within 6 months of the timescales identified within this report.
  - There is a low level of risk of non-repayment of the loan and if this occurs it would need further approvals from Investment Committee.

## Project responsibilities

- 2.10.9 The key project responsibilities are:
- Senior Responsible Officer: Kate Thompson, Combined Authority officer
  - Project Manager: Chris Brunold, Combined Authority officer

- Combined Authority’s case officer: Chris Moses

**Recommendations**

2.10.10 That the Combined Authority approves that:

- The project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- An indicative approval to the total project value of £1.5 million, and the Combined Authority contribution of a £1 million (to be funded from the Growing Places Fund) with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority’s Managing Director following a recommendation by the Combined Authority’s Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

**2.11 The West Yorkshire Urban Traffic Management Control (UTMC) decision point 3 (outline business case)**

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

**Background**

2.11.1 The West Yorkshire Urban Traffic Management Control (UTMC) project aims to reduce the effects of congestion and the resulting costs to the local economy. It is comprised of three distinct elements:

- Element A (on-street improvements to Urban Traffic Control (UTC) equipment): Improvements to signal facilities at key junctions on the West Yorkshire Key Route Network (KRN).
- Element B (cloud based combined UTC/UTMC system): The joining of all of the districts UTC and UTMC systems into one central, comprehensive system located in the “cloud” including a common database.

- Element C (a new combined West Yorkshire UTMC service):  
Reorganisation of the 4 existing district UTC services into a combined West Yorkshire service.

This new combined service will provide improved day-to-day management and coordination across the entire West Yorkshire network through an integrated team based at the West Yorkshire Joint Services building in Morley. Leeds City Council will be the accountable body for the new service which will still maintain a local focus, but will also improve strategic partnership working with Highways England, bus operators, and emergency services.

- 2.11.2 The new combined West Yorkshire UTMC service will provide a more efficient and seamless management of the West Yorkshire highway network, reducing congestion and journey times across all districts and making the West Yorkshire KRN more efficient and reliable for all road users.
- 2.11.3 The project is also an enabler to other schemes within the Transport Fund, highways efficiency programme, and National Productivity Investment Fund (NPIF) to ensure they fully meet their benefits realisation in unlocking growth.

### **Outputs and benefits**

- 2.11.4 The forecasted benefits of this scheme are:
- Consistent UTMC service across West Yorkshire.
  - Better management of congestion to unlock capacity on West Yorkshire KRN.
  - Improved journey time reliability for highway travel and communications to the travelling public.
  - A more resilient network able to better manage unplanned events.
  - Air quality improvements.
  - Increase in employment and the promotion of economic growth by the completion of transport schemes across West Yorkshire regardless of boundaries.
- 2.11.5 In terms of contribution to headline Strategic Economic Plan indicators, the scheme is forecast to indirectly unlock 28 new jobs by 2031, and indirectly deliver an increase in total economic output of £2.8 million in annual Gross Value Added.
- 2.11.6 The three elements of the scheme have been appraised at a programme level and at an individual element level to demonstrate the benefit cost ratio and value for money. The programme (including elements A, B and C) has a medium value for money proposition with a benefit cost ratio of 1.78.

- 2.11.7 Element A accounts for approximately 90% of the total quantified benefits reported for the programme. At an individual element level, Element A has a high value for money with a benefit cost ratio of 3.0.
- 2.11.8 At outline business case stage, quantified benefits for Element B have been developed; while no quantified benefits are reported for element C to date.
- 2.11.9 At full business case stage, there will be opportunity to calculate financial cost savings attributed to element C. Much of this will be driven by the fact that fewer staff will be required in total to undertake day-to-day duties relating to the operation and management of the network. Whilst no overall reduction is proposed, the combined UTMC service will enable staff to be re-deployed from revenue related services to more fee earning work (e.g. transport fund scheme development). There will also be savings relating to reducing duplication of systems and software licences. Quantifying these savings is anticipated to provide an uplift in the overall programme benefit cost ratio and value for money.
- 2.11.10 The value for money assessment for the programme overall is therefore considered conservative with a number of additional benefits that have not been quantified.

### **Risks**

- 2.11.11 The key risks, which have been highlighted by the project promoter are:
- Financial risk for procurement of the UTMC/UTC systems, as specialist suppliers are limited – market testing has been completed and the tender will be released to all available suppliers.
  - The lease for the proposed premises of the Combined UTMC Service is not yet secured and could be lost - lease negotiation will need to be undertaken in parallel with the project's progress through the assurance framework.
  - Contractual terms for staff vary across districts - consultation will need to take place with the district Human Resources teams, trade unions and staff impacted by the proposed changes, including where applicable under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).
  - Levels of service and ways of working have yet to be agreed - service level agreements (SLA's) between all five local authorities will be required in advance of implementation with regard to performance indicators and sharing of liabilities.

## Costs

- 2.11.12 The forecast total scheme cost is £7.490 million, which will be fully funded by the Transport Fund. This will be confirmed at decision point 5 (full business case with finalised costs).
- 2.11.13 The scheme has £280,000 approved for development costs. The scheme promoter has now requested an additional £170,000 to develop the scheme to decision point 5 (full business case with finalised costs), taking the total development costs to £450,000.

## Timescales

- 2.11.14 The current scheme programme forecasts that decision point 5 (full business case with finalised costs) will be approved in July 2018, and scheme completion is currently forecast for April 2021.

## Assurance pathway and approval route

- 2.11.15 The table below outlines the proposed assurance process and corresponding approval route for this scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

Assurance pathway	Approval route
Decision point 3 (outline business case)	<ul style="list-style-type: none"><li>• Recommendation – Investment Committee</li><li>• Approval – the Combined Authority</li></ul>
Decision point 4 (full business case)	<ul style="list-style-type: none"><li>• Recommendation – Programme Appraisal Team</li><li>• Approval – the Combined Authority’s Managing Director delegated decision</li></ul>
Decision point 5 (full business case with finalised costs)	<ul style="list-style-type: none"><li>• Recommendation – Programme Appraisal Team</li><li>• Approval – the Combined Authority’s Managing Director delegated decision</li></ul>

## Tolerances

- 2.11.16 In order for the scheme to follow the assurance pathway and approval route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further consideration:
- That the total project cost remains within 10% of the costs identified within this report.

- That the project delivery timescale remains within 6 months of the timescales identified within this report.

## Responsibilities

2.11.17 The key project responsibilities are:

- Senior Responsible Officer: Richard Hadfield, Kirklees Council
- Project Manager: David Caborn, Kirklees Council
- Combined Authority case officer: Rachel Jones with professional services firm WSP

## Recommendations

2.11.18 That the Combined Authority approves that:

- The UTMC project proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- The project includes the re-organisation of the 4 existing district UTC services into a combined West Yorkshire UTC service.
- An indicative approval to the total project value of £7.49 million is given from the West Yorkshire Transport Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- Development costs of £170,000 from the Transport Fund are approved in order to progress the scheme to decision point 4 (full business case), taking the total project approval to £450,000.
- The Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council for expenditure of up to £450,000 from the Transport Fund.
- Future approvals are made in accordance with the approval pathway and approval route outlined in this report to include approval at decision point 4 and decision point 5 to be delegated to the Combined Authority's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in this report.

## Projects in Stage 3 – Programme committed



2.12 Once in delivery the scheme is delivered and Combined Authority funding is drawn down. When delivery is completed a review is carried out to ensure that the scheme has met all its requirements and outputs in accordance with its funding agreement. Finally information about a scheme’s performance following its completion is collected, in order to evaluate the success of the scheme.

**2.13 West Yorkshire and York broadband infrastructure programme (activity 6 Delivery) change request**

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

**Background**

2.13.1 The West Yorkshire and York broadband programme uses public sector funding to incentivise British Telecom, the contracted infrastructure supplier, to roll out superfast fibre broadband to those areas of West Yorkshire and York where British Telecom would not normally go on a commercial basis. Contract 1 of the programme is complete and was successful, exceeding the number of target premises and coming in under budget. Contract 2 is to utilise more public funding (Broadband UK - BDUK Government and European Regional Development Fund - ERDF) together with the underspend from contract 1, in deploying fast fibre to more premises, business and residential, in West Yorkshire and York. There are no implications for gainshare from this decision.

**Details of the change request**

2.13.2 The opportunity to extend both the reach and the life of the contract 2 to try to achieve the Leeds City Region strategic ambition of 100% superfast broadband access has emerged as a result of the Combined Authority receiving an increase in the funding identified to deliver this programme. This requires a change request to the approval for the use of external funding for contract 2. The existing approval for contract 2 of £7.25m is now requested to increase to £17.68 million to take account of new ERDF and BDUK funding and the reinvestment of carried forward funding from contract 1 efficiencies, British Telecom and a refund from BDUK.

2.13.3 In addition, in November 2016 the now Ministry of Housing Communities and Local Government (MHCLG) commenced an audit of the Programme. This was completed in January 2018 and resulted in a variation to the grant agreement. The variation included incorporating Leeds City Council as official delivery partners and a re-profile of the project finances. Approval to enter into this grant agreement variation is sought as part of this change request.

## Outputs and benefits

2.13.4 Contract performance on this programme is measured in terms of total homes passed (THP). The target for THP for the programme is as follows.

- Contract 1 target THP: 64,548. Achieved 67,506
- Contract 2 phase 1 target THP: 44,218
- Contract 2 phase 2 target THP: 49,437

## Risks

2.13.5 The key risk, which has been highlighted by the project promoter is:

There is currently a level of financial risk to the Combined Authority, since funding cannot be drawn down from ERDF until the variation to the funding agreement has been signed. As the changes to the funding agreement relate to new money coming into the programme and operational matters, it is considered that the risk of not varying the funding agreement is greater than signing it.

## Costs

2.13.6 The project is currently working with British Telecom to identify homes and businesses that are not currently covered by superfast broadband so that future provision may be targeted in hard-to-reach areas and neighbourhoods.

- The total value of contract 1 was £7.25 million
- The total value of contract 2 is £10.43 million
- This takes the total programme value to £17.68 million

This will be funded as follows:

Funding	Contract 2 £million
District contributions	0.467
BET refund (revenue)	0.472
BDUK	6.89
ERDF capital	6.89
ERDF revenue	0.410
British Telecom contract 1 efficiencies to be reinvested	2.55070
<b>Total</b>	<b>17.6797</b>

## Timescales

2.13.7 Contract 2 deployment is forecast to be completed in June 2021 with programme completion by end March 2022.

## Assurance pathway and approval route

2.13.8 The table below outlines the proposed assurance process and corresponding approval route for this scheme.

Assurance pathway	Approval route
Decision point 6 (delivery)	Recommendation –Programme Appraisal Team Approval – Delegation to the Combined Authority’s Director of Delivery

## Tolerances

2.13.9 In order for the scheme to follow the assurance pathway and approval route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further consideration:

- That the total project cost remains within the costs identified within this report.
- That the project delivery timescale remains within six months of the timescales identified within this report.

## Project responsibilities

2.13.10 The key project responsibilities are:

- Senior Responsible Officer: Kate Thompson, Combined Authority officer
- Project Manager: John Bullivent, Combined Authority officer
- Combined Authority case officer: Cath Pinn

## Recommendations

2.13.11 That the Combined Authority approves:

- The change request to the West Yorkshire and York broadband infrastructure programme as set out in this report.
- Expenditure of the increase in external funding from £7.25 million to £17.6797 million to be funded from BDUK, ERDF, BET and British Telecom contract 1 and districts as detailed this report, in order to fund contract 2 deployment of the West Yorkshire and York broadband programme.

- That the Combined Authority enter into the variation to funding agreement between the Combined Authority and the MHCLG covering funding from ERDF (current award is £7,299,918) for the broadband programme.
- That authority is delegated to the Combined Authority's Managing Director to approve any future grant variation agreements which are the result of financial re-profiling and are within the total ERDF funding envelope of £7,229,918.

### **3 Financial Implications**

- 3.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

### **4 Legal Implications**

- 4.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

### **5 Staffing Implications**

- 5.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

### **6 External Consultees**

- 6.1 Where applicable scheme promoters have been consulted on the content of this report.

### **7 Recommendations**

#### **7.1 Rail Park and Ride Programme – Garforth Rail Station Car Park Project (decision point 2 – case paper)**

That the Combined Authority approves that:

- i) The Garforth Rail Station Car Park project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
- ii) An indicative approval to the total project value of £825,000 is given from the Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).

- iii) Development costs of £45,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £59,000.
- iv) The Combined Authority enter into a funding agreement (Section 56) with Arriva Rail North for expenditure of up to £45,000 from the Transport Fund.
- v) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **7.2 Apprenticeship Grants for Employers (AGE) Extension (decision point 2 case paper)**

That the Combined Authority approves that:

- i) The AGE Extension Programme proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
- ii) An indicative approval to the total grant fund value of £1.2 million is given to be funded from the unallocated AGE Programme 2015-2017 funds with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

## **7.3 North East Calderdale Transformational Programme study (decision point 2 case paper)**

That the Combined Authority approves that:

- i) The North East Calderdale Transformational Programme study proceeds through decision point 2 (case paper) and work commences on the strategic case for the programme.
- ii) Full approval is given for the total study costs of £400,000.
- iii) The Combined Authority enters into a funding agreement with Calderdale Council for expenditure of up to £400,000 to be funded from the Transport Fund.

- iv) Any change requests relating to the study are made in accordance with the approval pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

#### **7.4 Inclusive Growth Corridors and the Transformational Fund (decision point 2 case paper)**

That the Combined Authority approves that:

- i) The Inclusive Growth Corridors and the Transformational Fund Phase 1 proceeds through decision point 2 (case paper) and work commences on the completion of the Corridor Plans and Connectivity Strategy.
- ii) Indicative approval to the total programme value of £7 million is given and full approval of £2.395 million for Phase 1 is approved.
- iii) Any change requests relating to Phase 1 are made in accordance with the approval pathway and approval route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

#### **7.5 Growing Places Fund 319 Loan (decision point 3 outline business case)**

That the Combined Authority approves that:

- i) The project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- ii) An indicative approval to the total project value of £1.5 million, and the Combined Authority contribution of a £1 million (to be funded from the Growing Places Fund) with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

#### **7.6 The West Yorkshire Urban Traffic Management Control (UTMC) decision point 3 (outline business case)**

That the Combined Authority approves that:

- i) The UTMC project proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).

- ii) The project includes the re-organisation of the 4 existing district UTC services into a combined West Yorkshire UTC service.
- iii) An indicative approval to the total project value of £7.49 million is given from the West Yorkshire Transport Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- iv) Development costs of £170,000 from the Transport Fund are approved in order to progress the scheme to decision point 4 (full business case), taking the total project approval to £450,000.
- v) The Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council for expenditure of up to £450,000 from the Transport Fund.
- vi) Future approvals are made in accordance with the approval pathway and approval route outlined in this report to include approval at decision point 4 and decision point 5 to be delegated to the Combined Authority's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in this report.

#### **7.7 West Yorkshire and York broadband infrastructure programme (activity 6 Delivery) change request**

That the Combined Authority approves that:

- i) The change request to the West Yorkshire and York broadband infrastructure programme as set out in this report.
- ii) Expenditure of the increase in external funding from £7.25 million to £17.6797 million to be funded from BDUK, ERDF, BET and British Telecom contract 1 and districts as detailed this report, in order to fund contract 2 deployment of the West Yorkshire and York broadband programme.
- iii) That the Combined Authority enters into the variation to funding agreement between the Combined Authority and the MHCLG covering funding from ERDF (current award is £7,299,918) for the broadband programme.
- iv) That authority is delegated to the Combined Authority's Managing Director to approve any future grant variation agreements which are the result of financial re-profiling and are within the total ERDF funding envelope of £7,229,918.

#### **8 Background documents**

None.

## **9 Appendices**

None.

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**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Broadband Approvals and Spending**

**Director(s):** Liz Hunter, Interim Director of Policy and Strategy;  
Melanie Corcoran, Director of Delivery

**Author(s):** Kate Thompson and Justin Wilson

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

## 1 Purpose of this report

- 1.1 For the Combined Authority to consider the approach to digital infrastructure delivery across the city region and seek approval to proceed with funding bids for a proposed Contract 3 of the West Yorkshire and York Superfast Broadband Programme, including utilisation of Gainshare, as detailed within the report.

## 2 Information

### Context

- 2.1 By 2020, the volume of global internet traffic is expected to be 95 times that of 2005, and connected devices will outnumber the global population by nearly seven to one. In the UK, fixed internet traffic is set to double every two years, while mobile data traffic is set to increase further at a rate of 25% to 42% per year.
- 2.2 The UK's digital infrastructure must be able to support this rapid increase in traffic, providing coverage with sufficient capacity to ensure data can flow at the volume, speed and reliability required to meet the demands of modern life and unlock future economic growth. Broadband/fibre infrastructure and mobile (i.e. 3G, 4G and 5G) must be treated as the fourth utility, with everyone benefiting

from improved connectivity. This will play a crucial role in ensuring that everyone, wherever they live or connect, can make full use of digital services and benefit from participation in the digital economy. Improved connectivity also increases innovation and productivity across the economy (thereby addressing two of the City Region's four key challenges), bringing significant economic rewards. Independent research suggests increased broadband speeds alone could add £17 billion to UK output by 2024. In recognition of this, the Government's Digital Strategy (March 2017) set a commitment that every individual and business in the country will have the right to demand broadband coverage with at least 10 Megabits per second (Mbps), through the creation of a Universal Service Obligation by 2020, but this will not guarantee superfast broadband speeds.

- 2.3 Therefore whilst the need for digital connectivity is well recognised any discussion around digital infrastructure must be placed in its wider economic context. The economic, social and connectivity (transport) benefits of digital infrastructure are only realised when people are able to use and exploit the technology effectively.

#### City Region Policy

- 2.4 The City Region's **Strategic Economic Plan (SEP)** has laid out an ambition to achieve 99% superfast broadband connectivity across West Yorkshire by 2018/19. The West Yorkshire and York Broadband (WYYB) programme commenced in 2013 and is overseen by a Partnership Agreement between the West Yorkshire and York councils and the Combined Authority. The programme is well on the way to meeting this ambition with Contracts 1 and 2 and the programme is on track to deliver up to 98% by 2021. A further Contact 3 will be required to address some of the most hard to reach urban, semi-urban and/or rural properties.
- 2.5 The emerging Leeds City Region Digital Framework – **Leeds City Region transformed by digital tech** – is the second big idea proposed as part of the emerging Local Inclusive Industrial Strategy. The Digital Framework has 5 interconnected outcomes which will help to set out our approach to the digital economy and to the strengthening of digital capability across the City Region's population and institutions:
- **Digital opportunities for non-digital businesses** – helping all City Region businesses to embrace and grow through improved use of new technologies;
  - **Digital skills for all** – giving everyone access to the skills they need to operate and thrive in a the digital economy
  - **The digital sector that serves the rest** – making Leeds City Region the best place to start and grow a digital business
  - **World class digital infrastructure** – ensuring everyone can access a fast, reliable and resilient network
  - **A smarter, more intelligent City Region** – using technology and data to solve the City Region's biggest challenges and improve citizen outcomes.

- 2.6 Whilst all of these strands are important and require concerted interventions to progress, our ambitions to become a smarter, digital tech leading City Region will not happen without the underpinning infrastructure being in place.
- 2.7 Therefore it is essential that we get this right, and leveraging the digital assets which we have control over as public bodies not only contributes to our City Region full fibre ambitions but it also sends a strong signal to the market that we are serious about digital.

#### Digital Infrastructure Delivery - The Options

- 2.8 Digital technology is advancing quickly with superfast broadband now becoming the norm for household and business use. Currently there are approximately 41,000 residential and business premises without access to superfast broadband that are eligible for funding from a State Aid perspective.
- 2.9 Gigabit speeds (+1,000Mb/second) are now increasingly required for some business uses and 5G mobile technology is now being tested in some locations. Both of these emerging technologies will require full fibre infrastructure in the ground when they are delivered. Delivery of additional superfast broadband and/or full fibre infrastructure now puts the City Region in a better position when it comes to delivering these newer technologies commercially in the future.
- 2.10 Some of the key considerations for the next phase of infrastructure delivery are outlined below:
- **Residential or businesses** - the economic benefits of increased internet speeds for businesses include enhanced productivity and the ability to operate over larger markets. Households can also benefit from investment as it provides opportunities to reduce travel requirements by increasing opportunities for home working and learning and enhanced telecommunications. Many of the EU funding opportunities currently available have a focus on business (particularly SME) connectivity. However, businesses are spread over a wide geography which allows for residential areas to also be connected via complementary funding sources but under the same investment programme.
  - **Urban or rural** – historically broadband coverage in rural areas has lagged behind urban (town and city centre) locations. This is due to the comparatively high cost of delivering infrastructure in less built up/densely populated areas. Experience from Contract 2 of the broadband programme suggests an average cost of £3,500/premises connected. Support from the public sector is one of the few ways this lack of commercial viability can be addressed. However, it should be noted that there are other ‘hard to reach’ areas in some urban/town centre locations.
  - **Priority locations** – consideration needs to be given to whether priority locations, sites or corridors should be targeted in any future roll out of infrastructure. This can be a complex task as the identification of specific locations can be challenging to deliver on an impartial/consistent basis. This also needs to be balanced against the need to deliver the core

economic outputs associated with any external funding. The SEP's Spatial Priority Areas and Enterprise Zones are an agreed set of City Region priorities that could potentially be included in any future programme. This also supports the wider approach to delivery of infrastructure in these locations which has the potential to accelerate economic growth and deliver wider regenerative benefits.

- **Technology** – the deployment of broadband infrastructure is becoming increasingly varied. Delivery is now less reliant on traditional fibre/copper networks in the ground. This is in part due to hard to reach areas requiring a mix of solutions and emerging technologies.

2.11 A future broadband programme could seek to provide broad coverage to areas that do not currently have access to superfast broadband. This would mean delivering a programme across a mix of urban and rural areas and residential and business areas. This could provide a robust core approach that would ensure high Value for Money for any future bids. As a secondary component, agreed priority areas could be targeted where they offer wider economic or inclusive growth outcomes.

2.12 Members' views are sought on the considerations above. Feedback received will then shape any future solutions.

#### Current Digital Infrastructure Funding Opportunities and Programmes

2.13 There are a number programmes or funding opportunities that can support investment in digital/fibre infrastructure in West Yorkshire and the City Region. These include:

- **West Yorkshire and York Superfast Broadband Programme is currently underway via Contracts (phases) 1 and 2.** Contract 3 is a focus for this report. Core funding is supplied by Broadband Delivery UK (BDUK)/ Department for Culture, Media and Sport (DCMS) and supplemented by other funding opportunities (i.e. EU, DEFRA and local partners). This programme upgrades infrastructure to provide speeds of at least 30 Megabits per second (Mbps). Infrastructure under this programme is a mix of Fibre to the Cabinet (FTTC) and increasingly Fibre to the Premises (FTTP). Generally FTTP offers greater speeds, broadly above 30Mb/s but has historically attracted a greater installation cost. FTTP is now becoming cheaper to deploy because of new implementation techniques. BDUK have indicated that they are willing to invest a further £1.11m into the West Yorkshire and York programme if a Contract 3 progresses quickly.
- **European Structural and Investment Funds (ESIF):** an outline bid was submitted under Priority Axis 2a (Broadband Infrastructure). The outline application at £2.396m was successful. Subject to approval, a Full application will need to be submitted by 9 May 2018.
- **The Rural Broadband Infrastructure (RBI) scheme** will support the roll out of 30mbps+ broadband to support rural businesses (and premises) that will

not be supported through other methods. This fund can only be applied for in conjunction with West Yorkshire and York Contract 3 as only local authorities leading on the roll-out of broadband infrastructure and working with BDUK can apply for these grants. The deadline for bids is 31 May 2018

- **Local Full Fibre Network (LFFN) Programme** aims to accelerate market delivery of full fibre networks (i.e. FTTP) and will run till 2021. Wave 2 of the programme was recently awarded with Wave 3 expected in Summer 2018. There are four complementary approaches eligible for the LFFN programme.
  - Aggregating public sector demand – i.e. anchor tenancy – to lower the risk of deploying full fibre networks;
  - Incentivising new fibre with upgrades to public sector buildings;
  - Reusing public sector assets such as ducts; and
  - A Gigabit voucher scheme which groups of businesses and residential properties can access (West Yorkshire trial currently underway)
- **5G trials and testbeds** competitions were recently announced. 5G is the next generation of mobile connectivity, and is currently in development. It is expected to represent a significant upgrade providing ultrafast, low latency (lag), and more reliable mobile connectivity, able to handle ever-increasing data requirements. This will present huge opportunities to boost productivity and grow the economy. In addition to giving consumers and business user's high quality connectivity, it will also support the development of the Internet of Things: the rapidly-increasing number of connected devices, from connected cars to digital health applications.

However, full fibre infrastructure is essential in any future deployment of 5G, which is likely to require extensive use of small cells (essentially mini base stations/masts), connected to the core network by backhaul (i.e. a fibre connection).

- 2.14 There is also the Network Rail/DCMS national pilot project to deliver **fibre connectivity along the Transpennine rail route between York, Leeds and Manchester** alongside a 5G pilot between Leeds and Manchester. This will be delivered within the next 12 to 18 months. The Combined Authority is working collaboratively with Network Rail to support this work and ensure it delivers maximum benefits for communities and businesses along the proposed route. This work aligns with the superfast and LFFN work by providing more fibre in the ground and increased resilience to the City Region's emerging network of fibre in the ground.

#### Gainshare

- 2.15 Contract 1 and 2 of the existing broadband programme with Openreach has a claw-back mechanism which relates to superfast broadband take-up above a given threshold across the full programme. Should the take-up of superfast broadband across the geography exceed the threshold level, it means that Openreach are achieving "excess" profits on the back of public funding. To counteract this, as take-up increases Openreach pay a contractual amount into an Investment Fund held by them and gaining interest at Bank of England base

rate plus 2%. The intention is that the Investment Fund is re-invested into further broadband delivery during the lifetime of the programme.

- 2.16 BDUK have confirmed that at the next Investment Review date in September 2018 the Combined Authority and Partners could drawdown the funding in the Investment Fund (circa £1.5-£1.7million) as 100% capital to invest in a Contract 3. This Contract would be separate to the existing contractual arrangements with Openreach and subject to an open OJEU tender procedure following public consultation. Further funding would continue to accrue in the Investment Fund for Contracts 1 and 2 as before.
- 2.17 Under the funding agreement with BDUK, any positive balance remaining in the Investment Fund at the end of each contract (2022 and 2025), will be redistributed in proportion to the original public sector investments i.e. 50% returns to BDUK/HM Government. The remaining 50% would be 'clean' money for the Combined Authority and partners to reinvest into any broadband or non-broadband projects in the future. Similarly, if the Combined Authority and Partners draw down funding early from the Investment Fund and wish to utilise this to support delivery of other digital programmes or any other non-broadband related activity, this also incurs a 50% penalty.
- 2.18 Members are asked to consider the use of Gainshare. A particular issue is the use of Gainshare (or an element of it) as part of the proposed future superfast broadband programme. Therefore the headline options include:
- **Gainshare funding to provide capital match funding** for proposed broadband bids. This would provide up to £1.7million Gainshare to match against BDUK and ESIF capital funding. This would allow 100% of the Gainshare funding to be utilised. Under this approach project management match funding and procurement costs would need to be found locally or via other funding opportunities.
  - **Gainshare funding to provide a mix of capital and revenue match funding** for proposed broadband bids. Any spend on revenue funding would be subject to 50% clawback which would be returned to government. This would result in no requirement to find revenue costs locally but it would significantly reduce the size of any potential ESIF application and the size of the overall programme.
  - **Use of Gainshare on other (non-broadband) priorities.** From a Broadband perspective this would leave only £1.11m of BDUK funding to match against ESIF capital funding. This would still require revenue costs to be found locally and it would significantly reduce the size of any potential ESIF application. The remaining Gainshare would stay in the Investment Fund but would be subject to 50% being returned to HM Government on maturity. However it could be used by authorities on other priorities.

### Proposed West Yorkshire and York Superfast Broadband Contract 3

- 2.19 The next phase of infrastructure delivery could seek to maximise superfast broadband coverage across the West Yorkshire and York geography. This approach would deliver more digital infrastructure (i.e. fibre) in the ground which will support delivery of newer technology such as gigabit broadband speeds and 5G mobile connectivity in the future, subject to commercial viability and demand. It will also support the business case for other potential public sector investment e.g. Local Full Fibre Networks programme or the national gigabit voucher scheme.
- 2.20 Depending on the views on the use of Gainshare, the programme could utilise Gainshare from Contracts 1 and 2 of the programme as additional capital and revenue match.
- 2.21 As part of a recent Open Market Review (OMR) exercise, a potential further 41,000 premises (residential and commercial) have been identified within the geography that remain sub 30mbps and are eligible for funding in line with State Aid rules.
- 2.22 Delivery experience from Contract 2 suggests that Contract 3 may require an average of £3,500 to provide superfast broadband access to each premises. As an example, on this basis it is estimated that between 3,400 and 2,600 premises could potentially be accessed depending on how Gainshare is and if other funding opportunities are maximised. However, the precise figure will need to be refined with the appointed delivery partner.
- 2.23 The precise scale of this programme will depend on agreement from Members to bid for funding and the identification of match funding.
- 2.24 To commence Contract 3 up to £90,000 will need to be provided to resource a procurement and public consultation process. This will include provision for due diligence, legal support, a project support officer and technical support. If Contract 3 is agreed it is proposed that this is funded through either future drawdown of gainshare, council partner contributions or other funding opportunities (.e.g. the Business Rates Pool).
- 2.25 Members are invited to consider what a potential Contract 3 could comprise and whether all council partners have a willingness to proceed with the proposed bids and commit local resources or use Gainshare.

### Governance and Partnership Agreement

- 2.26 The Superfast Broadband Programme<sup>1</sup> is currently managed by a Project Board comprising council partners (the five West Yorkshire councils and City of York Council). This was created in 2013, with the Combined Authority joining in 2015. As such it pre-dates the Combined Authority's Assurance Framework.

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<sup>1</sup> Contacts (Phases) 1 and 2

- 2.27 However, all decisions regarding project spend for funding held by the Combined Authority are taken through the Combined Authority's standard capital approvals process. There is a partnership agreement for Contract 2 (signed 2 April 2015) and this is being reviewed and potentially revised in light of the Combined Authority's new governance and Assurance Framework.

### Summary of Potential Programme Risks

- 2.28 A complete risk register will be developed as the proposed Superfast Broadband Programme (Contract 3) is developed. The following section lists some of the key risks that have been identified at the current stage:
- Application deadlines for EU funding are challenging. Applications need to be progressed for ESIF and DEFRA funding by 9 and 31 May respectively.
  - Loss of any potential DEFRA Rural Broadband funding. This funding allocation is already oversubscribed based on the funding pot currently available. One project has been given approval prior to the closure of the call. The deadline for submissions is 31 May 2018.
  - Funding may be withdrawn from BDUK if agreement on future contracts are not achieved soon. They have also requested evidence that procurement is progressing.
  - Local partners will lose 50% of Gainshare if it is not utilised under Contracts 2 or 3 and the Investment Fund is allowed to mature. The use of an element of Gainshare within Contract 3 begins to mitigate this risk.
  - Risks associated with any potential claw back of European funding if spend and output targets identified in funding applications are not met when the programme is delivered.

## **3 Financial Implications**

- 3.1 The financial implications are detailed in paragraphs 2.15 to 2.18 of this report in relation to Gainshare.

## **4 Legal Implications**

- 4.1 Technical and legal advice will need to be secured to support the procurement and contractual arrangements for Contract 3.

## **5 Staffing Implications**

- 5.1 The Combined Authority and district partners are currently discussing the proposed programme management requirements for Contract 3.

## **6 External Consultees**

- 6.1 BDUK have been consulted in respect of the Gainshare details of this report.

6.2 If Contract 3 is agreed a public consultation on the Open Market Review results will need to be conducted as soon as possible to inform the procurement exercise.

## **7 Recommendations**

7.1 That the Combined Authority notes the context to digital infrastructure and its alignment with national and City Region policy.

7.2 That the Combined Authority agrees that the governance for Contract 2 and the Partnership Agreement be reviewed to ensure alignment with the Combined Authority governance model.

7.3 That the Combined Authority provides feedback on the options for digital infrastructure delivery (paragraphs 2.10-12)

7.4 That the Combined Authority agrees that the proposed funding applications for Contract 3 be developed and submitted by the Combined Authority's Managing Director in consultation with the LEP Chair and the Combined Authority Chair, subject to further discussions with council partners.

7.5 That the Combined Authority approves the use of up to £1.7 million Gainshare from the Contract 1 and 2 Investment Fund to support funding bids for a proposed Contract 3 of the West Yorkshire and York broadband programme, subject to further discussions with council partners.

7.6 That the Combined Authority agrees an initial budget of up to £90,000 for procurement, legal and due diligence for Contract 3, subject to confirmation of Gainshare use or council partner contributions.

## **8 Background Documents**

None.

## **9 Appendices**

None.

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**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Energy Accelerator**

**Director:** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** Jacqui Warren

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

## Purpose of this report

1.1 To update the Combined Authority on the Energy Accelerator (Accelerator) including:

- The draft Contract for Funding between the EIB (European Investment Bank) and West Yorkshire Combined Authority (Combined Authority).
- Highlighting potential risks for the Combined Authority and project sponsors if the Combined Authority chooses to sign the contract.
- A recommendation from the Green Economy Panel (GEP) (paragraph 2.27, 2.28).

1.2 Subject to consideration, approve the signing of the EIB Contract and progress through decision point five with all final approvals subject to approval by the Managing Director (paragraph 2.31).

## 2 Information

2.1 The Accelerator is a key initiative under priority three of the Strategic Economic Plan (SEP) which aims to create a zero carbon energy economy by 2036. It is a new innovative programme. It will provide a project development support service to remove current barriers relating to a lack of project

development funding and expertise. This current lack of support is preventing investment in low carbon capital projects across the Leeds City Region (City region). It will provide a service to the public, private, academic and community sectors to develop projects around three key themes:

- Commercial & domestic retrofit including integration of renewable energy into the built environment.
- District heat networks.
- Streetlighting.

2.2 The Accelerator will not deliver capital programmes, it will bridge a current market failure by providing robust technical and commercial advice that will enable projects to develop and proceed to implementation. It is anticipated to enable approximately £60 million - £100 million of capital investment in low carbon projects to happen across the City Region.

2.3 The Accelerator has been in development since 2015. Progress to date includes:

- The creation of a pipeline of low carbon energy projects from across the Leeds City Region that formed the basis of the ELENA bid.
- The Combined Authority approved £640,000 of Local Growth Fund (LGF) money for the Energy Accelerator on 20 November 2015. This is match funding for the ELENA grant.
- Internal approval to apply for the ELENA funding.
- An ELENA application was made to the EIB in July 2016 and revised May 2017 (on the EIB's advice).
- Subject to securing the ELENA funding, remaining approvals needed to establish the Accelerator were approved by the Combined Authority on fifth October 2017 (see paragraph 2.31).

2.4. The Accelerator is dependent on the EIB ELENA fund (a fund for technical assistance focused on the implementation of energy efficiency, distributed renewable energy projects and programmes) and the LGF which has already been secured. A bid was made to the ELENA fund in 2016 and revised in May 2017 on the advice of the EIB.

2.5 The total value of the project is estimated at £3.817m<sup>1</sup> funded by:

- £820,000 LGF (of which some is allocated as match funding towards the ELENA grant); and
- EUR 3.513m (£2.997m<sup>2</sup>) EIB ELENA funding.

#### ELENA funding

2.6 On the 27 December 2017 the Combined Authority received confirmation that the ELENA application had received formal approval from the European

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<sup>1</sup> Based on [EC's March 2017 exchange rate](#)

<sup>2</sup> See 1

Commission. The Combined Authority has since received official written confirmation and a draft contract for funding to review and sign.

- 2.7 The Combined Authority’s ELENA application included project development support (commercial, technical advisory services and staff) totalling EUR 3.513million. It is anticipated that it will support a pipeline of approximately 21 low carbon schemes across the Leeds City Region.
- 2.8 The Accelerator will be delivered through a new project delivery team. The team comprises of two Combined Authority internal staff and four procured part – time external advisors who will also be supported by a wider team of external advisors. This team is responsible for developing and delivering the projects supported offered through the Accelerator:

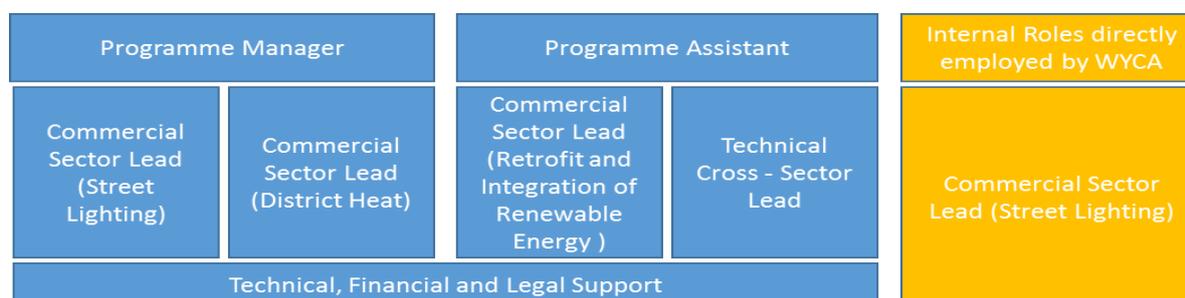


Figure 1. EA Project Delivery Team

- 2.9 The Accelerator has already developed a governance and appraisal framework. All governance is overseen by the Combined Authority and through its assurance processes at appropriate stages. Once operational, recommendations for each project will be developed by the Accelerator’s Project Delivery Team and an Advisory Group, (currently made up of three representatives from the Green Economy Panel (GEP)). This group is being reviewed currently. All support that goes through the Accelerator will be approved by the Managing Director of the Combined Authority. The GEP will also continue to receive regular progress updates on the Accelerator.

EIB Contract Summary

- 2.10 Like many similar European funding streams, the EIB contract includes a range of special and general terms and annexes. The following are unique to the EIB ELENA contract.
- 2.11 The EIB will contribute a maximum of 85 percent (EUR 3,513,847; £2.997m<sup>3</sup>) of the total project costs for the Accelerator. The remaining 15 percent will be funded by the Combined Authority, using previously approved LGF (EUR 633,209<sup>3</sup>; £540,000).

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<sup>3</sup> Based on the EC’s March 2017 exchange rates

- 2.12 The contract requires an investment programme to deliver investment (either actual investment in a project or a published procurement for a forthcoming investment) that is at least 20 times the bank’s contribution. This 1:20 leverage requirement translates into the Accelerator delivering EUR 70 million (£60 million) of capital investment. The investment programme must also be delivered with 3 years.
- 2.13 At the time of applying for the ELENA funding, the pipeline of low carbon projects developed by the Combined Authority with its partners was projected to attract £98 million (EUR 115 million) of capital investment (1:33 leverage factor).
- 2.14 The ELENA grant is paid in instalments, 40 percent at the outset, 30 percent after 18 months and 30 percent on completion of the Accelerator. The second payment will be reduced if less than 70 percent of the first tranche of funding has been spent at the 18 month milestone.
- 2.15 As the payments are in Euros at the prevailing rates, the Combined Authority will need to manage the fixed rate risks.
- 2.16 There are a range of financial reporting requirements. Including:
  - Inception report;
  - Bi-annual progress reports;
  - Interim report (18 month milestone); and
  - Final implementation report

Unique risks

- 2.17 The EIB requires the Combined Authority, as the final beneficiary, to sign the Contract for Funding. In order to do this both the Green Economy Panel and LEP Board have been asked to consider and make recommendations on signing the contract to the Combined Authority. To support this process the Combined Authority need to be aware of any potential unique risks, impacts and any residual risks associated to the EIB contract. The key potential risks, their impact on the Combined Authority and where the risks potentially occur within the programme are summarised below and in **Appendix 1 and 2**:

<b>Risk</b>	<b>Impact</b>	<b>Residual risk <u>before</u> mitigation</b>
Risk of reduced EIB 2 <sup>nd</sup> payment at the 18 month mid-point (see para 2.14) due to under performance	Reduced payments, programme Stalls	A risk the EIB reduce payment of the second payment ( Maximum EUR 1.054m)
Risk of reduced final payment / clawback from the EIB at the completion of the programme (after the	The Combined Authority has to fund programme costs or pay back funding	A risk of clawback. Maximum is EUR ~1.405m (this is the fixed costs that the Combined Authority would incur over the duration of the programme for

full 3 years) due to underperformance		the Project Delivery Team). All other costs associated would not be incurred due to our project appraisal processes and any addition funding drawn down and unused would be repaid to the EIB.
Loss of EIB funding by failing to contract within an acceptable timescale	No funding	Loss of EIB funding
Out of date pipeline of projects due to EIB delays in awarding the funding	Programme delays, possible need to revise the delivery model and funding is reduced / programme stalls	A risk the EIB reduce payment of the second payment (EUR 1.054m) / final clawback
Project Sponsors fail to use the EA	Limited programme and reputational damage	The residual risk depends on Project Sponsor appetite. This will be gauged as the pipeline of projects is refreshed.
Limited amounts of Project Sponsor sign up due to requirement to progress projects if feasible or face clawback.		

2.18 There is a range of specific risks that all project sponsors that use the Accelerator will be exposed to. The unique key risks, impacts and where they could potentially arise for Project Sponsors within the Accelerator are summarised below and in **Appendix 1 and 2**:

<b>Risk</b>	<b>Impact</b>	<b>Residual risk <u>before</u> mitigation</b>
Responsible for delivering <sup>3</sup> a project	If the sponsor fails to deliver	If the sponsor fails to deliver within the 3 years required,

- 
- <sup>3</sup> Investment occurred during the contract period which has been directly supported by the Accelerator; or
  - b) the estimated value of the contract for further investment which has been supported by the Accelerator, as published in the relevant notice relating to the procurement procedure for this investment and in accordance with applicable procurement rules and statutes.
  - c) to qualify for inclusion under b, the related budget must have been fully secured prior to publication and hence the award cannot be made conditional on the availability of budgetary resources. (Source: EIB Contract)

(either actual investment in a project or a published procurement for a forthcoming investment), within the 3 year duration of the EIB contract	this target, partial or full claw back is possible from the Combined Authority.	claw back is possible from the Combined Authority.
A project fails to meet the 1:20 leverage target	If the sponsor fails to deliver this target, partial or full claw back is possible from the Combined Authority.	If the sponsor fails to deliver this target, partial or full claw back is possible from the Combined Authority.

Mitigation actions to reduce residual risks

- 2.19 There is a range of mitigating actions identified in Appendix 1 that aim to reduce the impact and likelihood of the risks and any residual risks to the Combined Authority. Appendix 2 also illustrates where the key risk identified could potentially arise within the Accelerator programme. Paragraphs 2.20 - 2.23 outline some of the ways risks to the Combined Authority will be mitigated.
- 2.20 The Accelerator’s Project Delivery Team which is made up of a range of energy experts (para 2.8), will play a vital role in developing and monitoring the projects that receive support. They will work with potential project sponsors to identify suitable projects that meet the ELENA funding requirements of a 1:20 leverage factor and the three year delivery timescales. The Programme Manager and Assistant will also be responsible for monitoring the experts and the projects that go through the Accelerator. They will ensure effective programme management throughout the three year programme. This includes monthly monitoring of the pipeline of projects, the EIB budget, the 1:20 leverage factor and other deliverability targets. Only schemes that are anticipated to meet the 1:20 leverage target and can be deliverable within the 3 year funding envelope will progress through the Accelerator. The Team will also be responsible for the removal of projects and the updating of a wider pipeline of projects that can be delivered should a project fail to progress through the Accelerator.
- 2.21 A contract between the Combined Authority and the procured advisors is being developed. It includes achieving the 1:20 leverage factor, payment terms, staffing requirements and professional indemnity (not exhaustive). It also includes a secondary (non-mandatory) above the 1:20 leverage factor target.

- 2.22 There will also be a contract between the Combined Authority and each project sponsor that uses the Accelerator. This is currently being drafted and will outline what support will be offered and a range of terms to ensure the project meets the EIB's requirements. This includes the process for clawback by the Combined Authority should a sponsor fail to meet its contractual obligations.
- 2.23 The Combined Authority has recently refreshed the indicative pipeline of low carbon projects that fed into the original ELENA application. There were concerns that as the pipeline was developed in 2016/17, some projects may be out of date and in need of updating.
- 2.24 The refresh included engagement with potential project sponsors and also the Combined Authority's Directors of Development. Whilst a number of projects have developed on their own, some projects are no longer needed. As it stands, the refreshed indicative pipeline contains 11 projects which are estimated to deliver an overall leverage factor of 1:34. All potential sponsors were engaged in this process and are aware of the Accelerator's requirements and unique risks (paras 2.12, 2.18, 2.22, 2.25). It will be the Delivery Team's job to use their expertise to further refine this indicative pipeline and develop a wider pipeline of new projects that will use the Accelerator's support.
- 2.25 Whilst a full range of mitigating actions are proposed to reduce the impact and likelihood of key risks and their impacts occurring, there are some residual risks that will remain. Appendix 1 outlines these residual risks and Appendix 2 outlines where they arise. It should be noted that these are the maximum level of exposure the Combined Authority or Project Sponsor would be subjected to. In reality the mitigating actions planned will greatly reduce the likelihood and impact of these residual risks.

Combined Authority risks:

<b>Risk</b>	<b>Residual risk after mitigation</b>
Risk of reduced 2 <sup>nd</sup> EIB payments at the 18 month mid-point (see para 2.14) due to under performance	Less likelihood but still a risk the EIB reduce payment of the second payment (maximum EUR 1.054m)
Risk of reduced final payment / Risk of clawback from the EIB at the completion of the programme (after the full 3 years) due to under performance	Less likelihood of clawback. Maximum is EUR 1.405m (this is the fixed costs that the Combined Authority would incur over the duration of the programme). All other costs associated would not be incurred due to the project appraisal processes and any addition funding drawn down and unused would be repaid to the EIB.
Loss of EIB funding by failing to contract within an acceptable timescale	Less likelihood of losing the funding or delays.

Out of date pipeline of projects due to EIB delays in awarding the funding	Less likelihood of delays / clawback. The pipeline of projects has been recently refreshed.  The residual risk depends on Project Sponsor appetite. This will be gauged as the pipeline of projects is refreshed.
Project Sponsors fail to use the EA	
Limited amounts of Project Sponsor sign up due to requirement to progress projects if feasible or face clawback.	

Project Sponsor risks:

<b>Risk</b>	<b>Residual risk after mitigation</b>
Responsible for delivering the project (either actual investment in a project or a published procurement for a forthcoming investment), within the 3 year duration of the EIB contract	Likelihood of claw back reduced. Value is dependent on the support agreed.
A project fails to meet the 1:20 leverage target	Likelihood of claw back reduced. Value of claw back is dependant of the support agreed.

Establishing the Energy Accelerator

- 2.26 Over the past few months, and subject to securing the ELENA funding, the Combined Authority has approved a range of recommendations to establish the Accelerator quickly.
- 2.27 The Green Economy Panel considered this paper on 20 February 2018. They welcomed the offer of funding from the EIB. Whilst they noted the unique risks associated to the EIB ELENA funding, they felt that some general elements were similar to other European funding streams that the LEP, Combined Authority and its constituent councils have experience of managing and, currently, actively support. They also felt that Accelerator is a truly innovative programme that addresses a local current market failure, and this is an area that the Panel felt that the LEP and Combined Authority should be actively pursuing to deliver the ambitions set out in the Strategic Economic Plan. Their main concern relating to the EIB contract was with the City Region's indicative pipeline of projects and how robust this was given the lengthily delays

incurred. They welcomed the refresh of the pipeline. Once completed, the results were shared with the Panel's Chair.

- 2.28 As the refresh estimated an indicative pipeline with a combined leverage factor of 1:34, the Panel recommended to the LEP Board that the Combined Authority sign the EIB contract. They also stressed the importance of effective management throughout the programme (para 2.20) to ensure the programme is delivered and meets the EIB contractual obligations.
- 2.29 The LEP Board will be considering a paper on 27 March 2018. Its recommendation will be reported to the Combined Authority at its meeting on 5 April 2018.
- 2.30 Subject to Combined Authority approval, there are a range of actions that need to be taken in order to establish the Accelerator. The table below summarises the major activity and indicative milestones/timescales.

<b>Activity</b>	<b>Timescales</b>
1. Seek LEP recommendation and CA approval to sign the EIB contract and establish a date for the contract to come into force.	27 March 2018 5 April 2018
2. Recruitment of 2 Combined Authority staff (1 – Programme Manager and Programme Assistant)	April – June 2018
3. Procure external Advisors	April – June 2018
4. Commence engagement with Project Sponsors and refresh the pipeline of projects for support	February 2018 – onwards
5. Final approvals to establish the EA, via the Combined Authority's assurance processes (see paragraph 2.31)	End of June 2018
6. Sign EIB Contract	By end of April 2018
7. EIB and Combined Authority contract comes into force	July / Aug 2018
8. Launch	September 2018

- 2.31 Subject to Combined Authority approval to sign the contract, all remaining approvals needed to establish the Accelerator were outlined to the Combined Authority on fifth October 2017. A summary is highlighted below:
- Accelerator proceeds through decision point four of the assurance process and work commences on activity five.
  - Indicative approval to the £2.997m ELENA funding is given with full approval to spend being granted once the scheme has progressed through the decision point five.
  - Future approvals are made in accordance with the approval pathway outlined in the submitted report including decision point five through a delegation to the Combined Authority's Managing Director following a recommendation by Combined Authority's Programme Appraisal Team.

### **3 Financial Implications**

- 3.1 The Combined Authority's Finance Team have reviewed the EIB contract, VAT implications and are aware of the risks covered in this report.
- 3.2 Throughout the project there is a risk on foreign exchange rates and the payments we receive in Euros. Any loss on this has to be met by the Combined Authority.
- 3.3 The payment profile on the 36 month project is 40 percent month two, 30 percent month 18 and 30 percent month 38 (two months after project end). There will potentially be periods where the Combined Authority will need to cash flow the project.

### **4 Legal Implications**

- 4.1 The Combined Authority's Finance Team have reviewed the EIB contract, and are aware of the contractual risks covered in this report.
- 4.2 The Combined Authority's Legal Team are drafting all legal contracts linked to the Accelerator and are aware of the contractual risks covered in this report.

### **5 Staffing Implications**

- 5.1 Subject to Combined Authority approval, there will be a need for some existing Combined Authority staff to work on the Accelerator whilst the new Delivery Team is being established. This is estimated to be three officers from the Policy and Strategy Directorate, on a part time, ad-hoc basis. Work programmes have been revised to account for this additional work.

### **6 External Consultees**

- 6.1 The Green Economy Panel and LEP Board have been consulted.

### **7 Recommendations**

- 7.1 That the Combined Authority approves the signing of the EIB Contract and progress through decision point five with all final approvals subject to approval by the Managing Director (paragraph 2.31).

### **8 Background Documents**

Combined Authority, 20 November 2015 – Item 5 Growth Deal Delivery and Budget Approvals

Combined Authority, 6 October 2017 – Item 5 Capital Spending and Approvals

Green Economy Panel, 20 February 2018 – Item 8 Energy Accelerator Update

LEP Board, 27 March 2018 – Item 8 Energy Accelerator Update

## **9 Appendices**

Appendix 1 - Major risks for the Combined Authority

Appendix 2 - The Energy Accelerator Project Appraisal Process and key locations of risks.

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## Appendix 1 - Risks, Impacts, mitigating actions and residual risks associated to the Energy Accelerator – Combined Authority

Major risks for the Combined Authority

Risk	Impact	Mitigation actions	Residual risks
<p>Risk of a reduced 2<sup>nd</sup> EIB payment at the 18 month mid-point due to less than 70% of the first payment being spent</p>	<p>Programme stalls</p>	<p>1) Effective programme management (see para 2.20)</p> <p>2) Project appraisal to include a preference for projects with the greatest leverage factors</p> <p>3) Over –programme the pipeline.</p> <p>4) Include clauses within advisor contracts to meet interim targets</p> <p>5) Staged payments to advisors</p> <p>6) Inclusion of claw back clause in advisor and project sponsor contracts and option to suspend or terminate contract.</p> <p>7) Prioritise high leverage factor projects</p>	<p>Less likelihood but still a risk the EIB reduce payment of the second payment (EUR 1.054m)</p>
<p>Risk of reduced / clawback of the final payment from the EIB at the completion stage of the programme (after the 3 years) due to under performance</p>	<p>Combined Authority has to fund programme costs</p>	<p>As above in 1</p> <p>1)All detailed advice provided beyond the fixed advisors (i.e. technical, financial and legal support value EUR 1.405m) will only be made on a scheme by scheme basis and subject to meeting at least 1:20 target.</p> <p>2)As the final payment is in arrears the investment achieved must be continually monitored to ensure we can meet 1:20 target.</p>	<p>Less likelihood of clawback. Maximum is still EUR 1.405m (this is the fixed costs that the Combined Authority would incur over the duration of the programme). All other costs associated to the programme would not be incurred due to our project</p>

			appraisal processes and any addition funding drawn down and unused would be repaid to the EIB.
3. Loss of EIB funding by failing to contract within an acceptable timescale	No programme	1) Fast-tracking approvals - some were granted in October 2017, including a number of outstanding approvals delegated to the Managing Director.  2) Sign the contract in April 2018 but defer contract start date until July/August 2018 (subject to approval by the EIB)	The risk remains
4. Out of date pipeline of projects due to EIB delays in awarding the funding	Programme delays, possible changes to the delivery model needed, funding is reduced	1) Effective programme management  2) Continuously monitor pipeline projects	Less likelihood of delays as the pipeline of projects has been up dated.
5. Project Sponsors fail to use the Accelerator	Limited programme  Reputational damage	1) Effective Project Sponsor engagement supported by the Combined Authority staff and external advisors	Less likelihood of delays. The pipeline of projects has been updated.
6. Limited Project Sponsor sign up due to requirement to progress project if feasible or	Limited programme	1) Effective Project Sponsor engagement  2) Refresh pipeline of potential low carbon projects continuously to ensure the pipeline is over-programmed	Less likelihood of delays. The residual risk depends on Project Sponsor appetite. This will be gauged

face clawback			as the pipeline of projects is refreshed.  Project Sponsor capacity to support programme may be further reduced due to new BEIS funded energy hub
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### Risks, impacts, mitigation action and residual risks - Project Sponsors

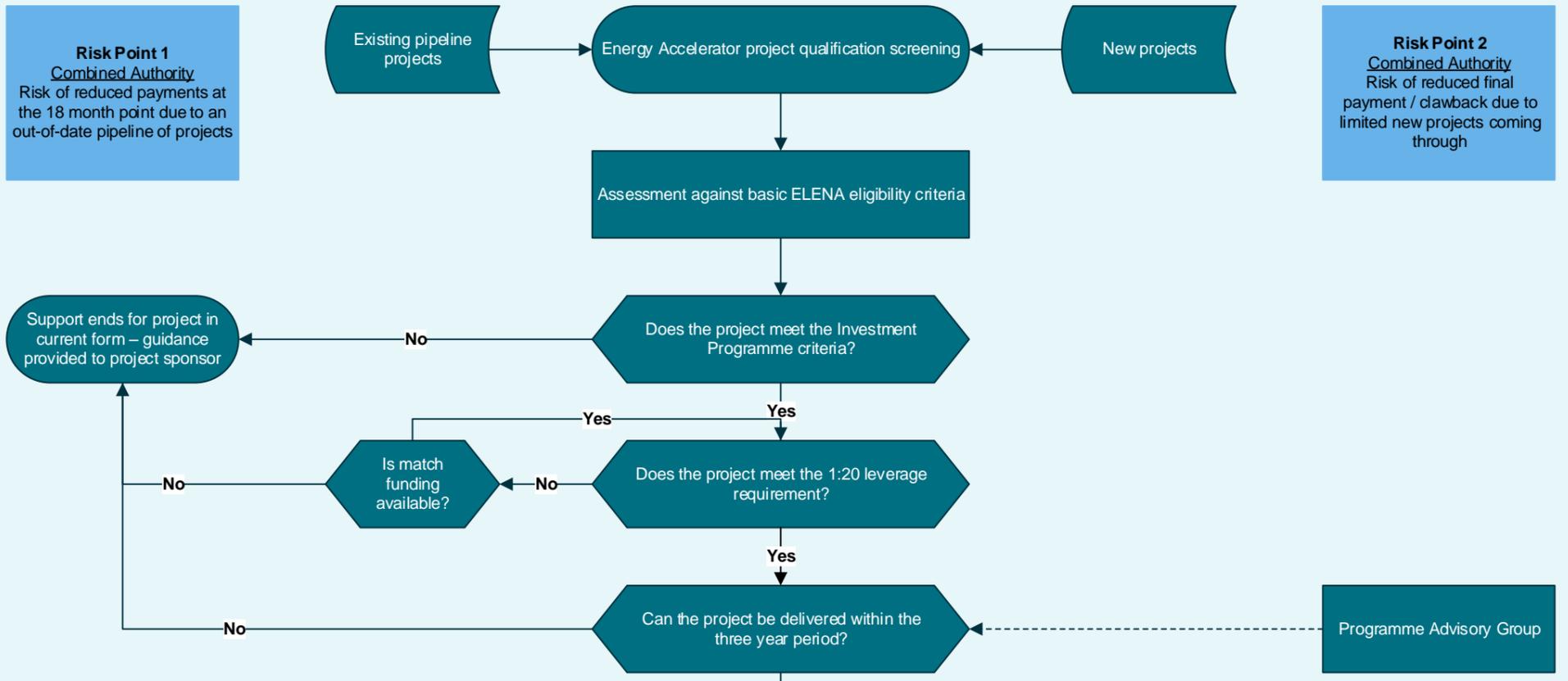
Major Risks for any Project Sponsor using the Energy Accelerator.

<b>Risk</b>	<b>Impact</b>	<b>Mitigation action</b>	<b>Residual Risks remaining</b>
Will be responsible for delivering <sup>1</sup> the project within the 3 year duration of the EIB contract	Claw back from the Combined Authority	1) Only projects that are deemed deliverable will be granted access to the Accelerator 2) Effective project management 3) Project selection to closely assess likelihood of delivery within three years	Likelihood of claw back reduced. Value is dependant of the support agreed (estimate that support is likely to range from 10 – 100k).
A project fails to meet	Claw back from the	1) Preference for projects with strong leverage factors	Likelihood reduced. Value

- 
- <sup>1</sup> Investment occurred during the contract period which has been directly supported by the Accelerator; or
  - b) the estimated value of the contract for further investment which has been supported by the Accelerator, as published in the relevant notice relating to the procurement procedure for this investment and in accordance with applicable procurement rules and statutes.
  - c) to qualify for inclusion under b, the related budget must have been fully secured prior to publication and hence the award cannot be made conditional on the availability of budgetary resources.

the 1:20 leverage target	Combined Authority	<p>2) Only projects that are deemed deliverable will be granted access to the EA and assessed by the EA Delivery Team before the agreement stages.</p> <p>3) Effective project management</p> <p>4) The Sponsor can choose to apply for external funding to help meet the 1:20 target + other</p>	is dependant of the support agreed (estimate that support is likely to range from £10k – 600k).
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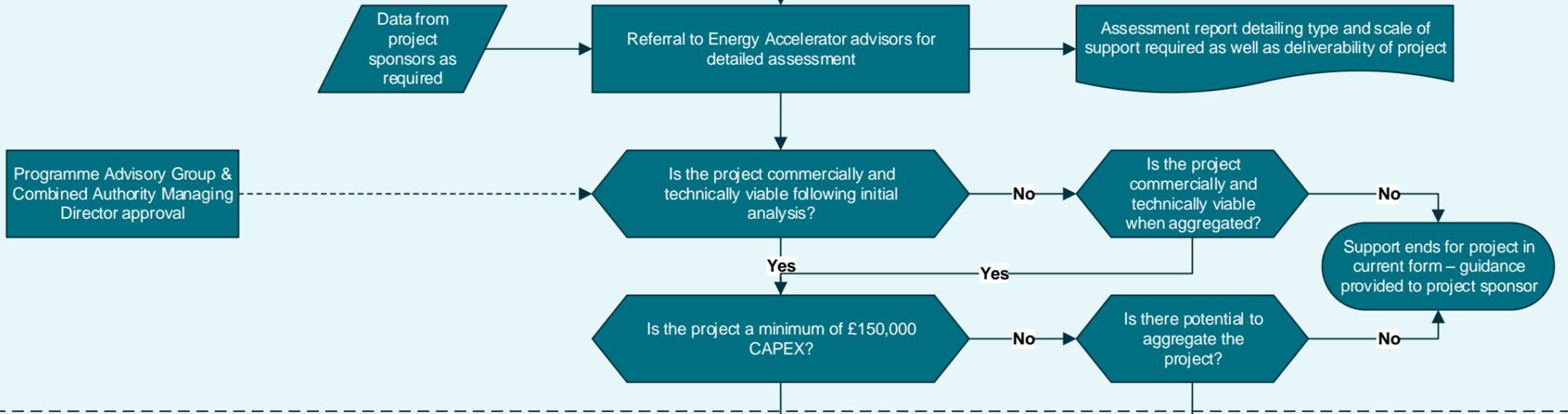
## Stage 1: Initial Screening\*



**Risk Point 1**  
**Combined Authority**  
 Risk of reduced payments at the 18 month point due to an out-of-date pipeline of projects

**Risk Point 2**  
**Combined Authority**  
 Risk of reduced final payment / clawback due to limited new projects coming through

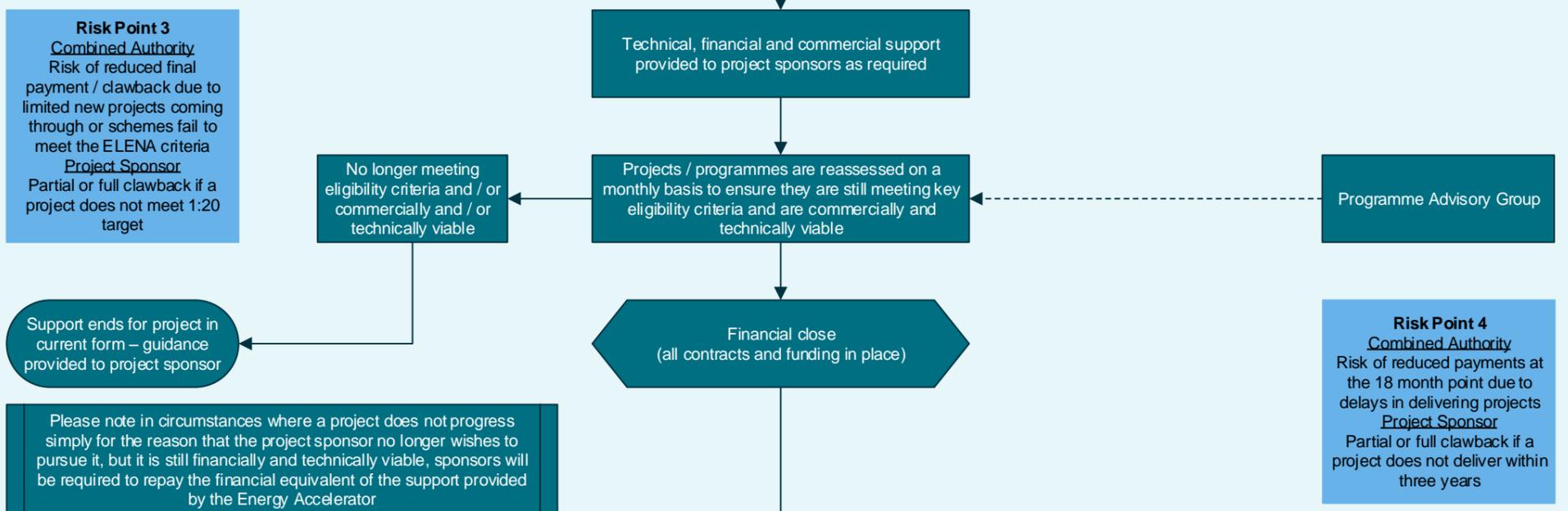
## Stage 2: Full Application & Assessment\*



## Stage 3: Agreement\*



## Stage 4: Provision of Support

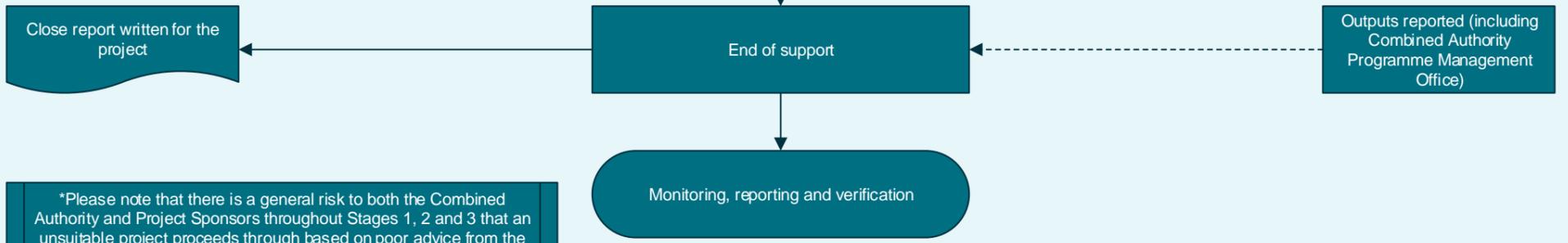


**Risk Point 3**  
**Combined Authority**  
 Risk of reduced final payment / clawback due to limited new projects coming through or schemes fail to meet the ELENA criteria  
**Project Sponsor**  
 Partial or full clawback if a project does not meet 1:20 target

**Risk Point 4**  
**Combined Authority**  
 Risk of reduced payments at the 18 month point due to delays in delivering projects  
**Project Sponsor**  
 Partial or full clawback if a project does not deliver within three years

Please note in circumstances where a project does not progress simply for the reason that the project sponsor no longer wishes to pursue it, but it is still financially and technically viable, sponsors will be required to repay the financial equivalent of the support provided by the Energy Accelerator

## Stage 5: End of Support



\*Please note that there is a general risk to both the Combined Authority and Project Sponsors throughout Stages 1, 2 and 3 that an unsuitable project proceeds through based on poor advice from the advisors. In this instance the risks are owned by the advisors and they would be liable to clawback from the Combined Authority.

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**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Embedding inclusive growth across City Region activity**

**Director:** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** David Walmsley and Jonathan Skinner

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

## 1 Purpose of this report

- 1.1 To provide an update on the inclusive growth project and to set out how inclusive growth will be embedded across the City Region’s expanded policy framework.
- 1.2 To illustrate the work of partner authorities in delivering prototype services which, subject to further investment, might be extended across the city region to deliver inclusive growth outcomes.
- 1.3 To agree the approach for resourcing the inclusive growth work within the Combined Authority.

## 2 Information

### The inclusive growth challenge

- 2.1 The LEP Board (23 November 2016) and West Yorkshire Combined Authority (1 December 2016) endorsed a project to spearhead inclusive growth and make it a key cross cutting policy for Leeds City Region. The project was

established following compelling work by the World Economic Forum<sup>1</sup> and Organisation for Economic Cooperation and Development (OECD)<sup>2</sup>, who demonstrated the ‘recovery’ from the global financial crisis of 07/08 had seen unbalanced growth that has exacerbated inequality. In light of the EU referendum result, Members also concurred with the Royal Society of Arts’ (RSA)<sup>3</sup> analysis that driving inclusive growth is vital to address the concerns of the electorate – particularly those people feeling economically insecure, who feel they haven’t benefitted from globalisation and are most vulnerable to further public sector austerity.

- 2.2 In some ways the UK and Leeds City Region economies have seen strong growth (output growing by almost 20% from 2010 to 2016, employment levels the lowest since 1975, and halving the rate of young people not in education, employment or training). For many in the City Region however, this has not resulted in better living standards through inclusive growth – with in-work poverty becoming particularly stark:
- 147,000 children (22%) live in poverty
  - Of 1,325 care leavers in West Yorkshire (aged 17-21yrs) only 670 (51%) are in work, education or training
  - 25% of jobs in the City Region pay less than the real living wage of £8.75
  - The employment rate of Bangladeshi and Pakistani women is half that of white women (72% versus 32%)
  - 27% of the adult population are qualified below level 2 or have no qualifications; Leeds City Region is ranked 33 out of 38 LEPs for this measure
  - The employment rate for disabled people is only 52% compared with 79% for people without a disability
  - When in work, one in five families (165,000) rely on in-work tax credits to top up their income. The cost of working and child tax credits for West Yorkshire is £1.3 billion
  - 16% of households (159,000) have no-one in work, with 177,000 people (9% of adults) in receipt of out-of-work benefits
  - Of 122,000 people claiming Employment and Support Allowance in the City Region, half have mental illness or a behavioural condition

### Tackling inclusive growth

- 2.3 Inclusive growth cannot be delivered individually by any organisation or sector. Many public, private and community organisations across the City Region have inclusive growth at the heart of their activity – whether that’s providing good work or training opportunities, to those helping people overcome physical or mental ill health. Local authorities play a vital role in identifying local challenges and opportunities to act on inclusive growth – including the prevention, mitigation and alleviation of poverty.

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<sup>1</sup> [http://www3.weforum.org/docs/WEF\\_Forum\\_IncGrwth.pdf](http://www3.weforum.org/docs/WEF_Forum_IncGrwth.pdf)

<sup>2</sup> <https://www.oecd.org/els/soc/cope-divide-europe-2017-background-report.pdf>

<sup>3</sup> [https://www.thersa.org/globalassets/pdfs/reports/rsa\\_inclusive-growth-commission-final-report-march-2017.pdf](https://www.thersa.org/globalassets/pdfs/reports/rsa_inclusive-growth-commission-final-report-march-2017.pdf)

- 2.4 Given the consensus across the City Region that inclusive growth needed championing and promoting, a Director of Inclusive Growth was appointed last year and started the inclusive growth project. Achievements are set out in **Appendix 1**.
- 2.5 The project has also identified some specific projects that partner authorities are delivering to drive inclusive growth. Learning from these projects will be considered across partners with a view to extending successful methods, subject to further investment. This may be a major ask of future negotiations with Government.

<b>Bradford</b>	<ul style="list-style-type: none"> <li>• Poverty and Ethnicity – a JRF-funded project that works with local employers and <b>Pakistani and Bangladeshi women</b> to seek to overcome barriers and provide access to a wider, more inclusive workforce.</li> </ul>
<b>Calderdale</b>	<ul style="list-style-type: none"> <li>• People with <b>mental health problems</b> – alongside the clinical commissioning group and local voluntary organisations, extend a pilot on the mental health impacts of social isolation and loneliness, predominately amongst the over-50s. This included impacts on employability.</li> </ul>
<b>Kirklees</b>	<ul style="list-style-type: none"> <li>• Work Better – a £5.75m European Social Fund funded programme to help <b>people who face significant barriers</b> into work, along with personal support for the first six months employment.</li> </ul>
<b>Leeds</b>	<ul style="list-style-type: none"> <li>• Providing supported internships (courses offered by colleges and post-16 providers) to help <b>young people with learning difficulties and disabilities</b> achieve paid employment by giving them the skills and experience they need through learning in the workplace.</li> </ul>
<b>Wakefield</b>	<ul style="list-style-type: none"> <li>• A programme for <b>children leaving local authority care</b> to improve their offer for housing and employment, including through priority support to achieve apprenticeships and into suitable accommodation.</li> </ul>
<b>York</b>	<ul style="list-style-type: none"> <li>• Supporting <b>financial resilience and inclusion</b> for people in those areas of the city ranked amongst the most deprived nationally. It will reduce the number of people using unlicensed/unregulated money lenders and high cost loans, in rent arrears or experiencing fuel poverty.</li> </ul>
<b>West Yorkshire Combined Authority</b>	<ul style="list-style-type: none"> <li>• Deliver recommendations from the inclusive growth audit, undertaken in conjunction with the Joseph Rowntree Foundation, to <b>target all projects and working practices to better deliver inclusive growth</b>.</li> </ul>

Embedding inclusive growth across a broad, agile policy framework

- 2.6 In August 2017, the LEP Board and West Yorkshire Combined Authority agreed, in principle, to expand the City Region’s policy range. This recognised that, while the existing Strategic Economic Plan (SEP) drives vital activity to deliver new jobs and homes, there are broader opportunities (e.g. the role of culture and citizen experience) and issues that would benefit from a more comprehensive and agile approach.
- 2.7 The LEP Board in January 2018, therefore, agreed to work towards a broader policy framework (see **Appendix 2**) representing where partners agree to work together on a range of topics (e.g. culture, potentially new aspects of tackling disadvantage in health, early years and education) to drive inclusive growth.
- 2.8 Those shared priorities – in the shape of four key challenges - were identified at the LEP Board’s September 2017 awayday:
1. The City Region’s productivity gap with national and international peers is too large and growing
  2. Investment is too low – particularly in research and development investment by the private sector
  3. Half a century of improving living standards in the City Region have stalled
  4. Stubborn deprivation persists, with the poorest communities staying the same over decades.

Partners recognised that prevailing economic conditions are relatively strong (although by far from working in the interests of all), which provides the chance to address the City Region’s structural weaknesses that are often the cause of inequality, poverty and lack of opportunity. **The single most significant driver of inclusive growth is a more productive economy, where value is created and shared fairly across society.** There will be a verbal update on the progress of the local inclusive industrial strategy, scheduled to be discussed by the LEP Board on 27 March.

- 2.9 The LEP Board also emphasised the vital importance of better understanding the **impact** of decisions on economic and social outcomes. This means decisions can be clearer about who will benefit, and how those improvements will be felt. Developing a clearer understanding of impact is an opportunity to refresh the City Region’s outcome measures and targets. These will be discussed further with advisory committees and a wide range of stakeholders from across the City Region, but this gives may give room for aspirational aims as well as more formal commitments. Accordingly, Members are invited to comment on potential aims put forward by partners from the inclusive growth project:
- Reduce the proportion of jobs that pay less than the real living wage from 25% to 15%<sup>4</sup>.

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<sup>4</sup> The baseline for this indicator was set using data for 2016, taken from the Annual Survey of Hours and Earnings. It relates to Leeds City Region as a whole. In 2016 the Real Living Wage (set by the Living Wage Foundation) stood at £8.25 outside London. Pay data have subsequently become available for 2017, which indicate that 23 per cent of jobs in the City Region were below the Real Living Wage level (£8.45 in 2017).

- Triple the number of anchor organisations.
- Reduce the employment rate gap for all disadvantaged groups (e.g. disabled people, minority ethnic groups) by half<sup>5</sup>.

2.10 It is vital that inclusive growth is embedded across the policy framework. In addition to that, there is opportunity to examine where policy and programmes might go further. The following themes will be examined, working with experts from councils, universities, think tanks, business groups and Government -

- **Good work in 2030** – linking with work on productivity, skills and the future workforce, covering issues like sharing platforms and safeguards (as the UK leaves the EU), job design and flexibility, wage levels and workers roles in decision-making. At its last meeting the Combined Authority requested an update to a future meeting on skills, including retraining, working practices and the apprenticeship levy. Under the leadership of the Employment and Skills Panel, the policy and strategy team are undertaking a review of the Employment and Skills Plan. This will make sure that the priorities are still correct, identify whether there are any gaps, and feed into industrial strategy work. There will be external consultation in May/June, with a more detailed report to the Combined Authority once this has taken place.
- **Future of municipal energy** – how the energy sector delivers clean, reliable and affordable that reduces fuel poverty, based on the City Region’s commitment to clean growth.
- **The best start in life for all children** – how a child’s first 1,000 days shape their attainment and how opportunity can be extended in early years.
- **Future funding** – including the role of pension funds, crowdfunding and philanthropy to deliver the City Region’s overall policy framework.

#### Resourcing inclusive growth within the Combined Authority

2.11 Whilst the secondment of the Project Director for Inclusive Growth will come to an end in May, the inclusive growth agenda remains critical for the reasons above and so will continue at pace. To resource the specific inclusive growth topics, and to provide leadership, it is proposed that:

- The Head of Economic Policy will lead on inclusive growth:
  - with support from a dedicated policy officer and administrative support.
  - by coordinating the work of the policy and strategy team to ensure inclusive growth is considered across all policy topics.

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<sup>5</sup> The key disadvantaged groups for which employment rate data are available at local level are: disabled people, ethnic minorities and older people (aged 50-64). The latest available estimates for the City Region (taken from the Annual Population Survey for October 2016 – September 2017) show an employment rate gap for disabled people (vs non-disabled) of 27 percentage points; a gap of 15 percentage points for people in ethnic minorities (vs white people); and a gap of 14 percentage points for older people (vs people aged 25-49).

- by the policy and strategy team providing advice to the City Region’s Business Rates Committee about its activity, including the inclusive growth programme.
- The role profile for the Director of Strategy will be revised to have a stronger focus on inclusive growth.
- The Head of Communications will lead on ensuring that Combined Authority activity – including development of the local inclusive industrial strategy – is rooted in strong engagement, particularly targeting ‘real voices’ from disadvantaged communities.
- The core group of policy officers from across the districts will continue to meet to ensure that work is progressed collaboratively.
- External challenge is commissioned to support both the Combined Authority and the districts in their change programmes around inclusive growth.
- The SIGG (Steering Inclusive Growth Group), chaired by Cllr Sheard, will continue to provide oversight for the work. Options will also be examined to formalise the Steering Group’s position as an advisory committee to the Combined Authority, with an appropriate remit.
- Our approach to devolution is geared towards achieving inclusive growth.

### **3 Financial Implications**

- 3.1 Staff time will be allocated from existing teams and budgets.
- 3.2 The commissioning of external challenge (para 2.11) is not included in existing budgets and will be subject to a further report or potentially incorporated via business rates pool will be considered.

### **4 Legal Implications**

- 4.1 There are no legal implications directly arising from this report.
- 4.2 Formalising the Steering Inclusive Growth Group (para 2.11) is subject to further development and a formal Combined Authority decision about its status and remit, as appropriate.

### **5 Staffing Implications**

- 5.1 The staffing implications are noted in para 2.11 and involve the re-prioritisation of existing staff time.

### **6 External Consultees**

- 6.1 No external consultations have been undertaken.

### **7 Recommendations**

- 7.1 That the Combined Authority notes the update on the inclusive growth project and agrees that inclusive growth continues to be embedded across the City Region's expanded policy framework.
- 7.2 That the Combined Authority notes the work of partner authorities, including where activity might be extended across the city region to deliver inclusive growth outcomes.
- 7.3 That the Combined Authority agrees the comprehensive approach to resourcing inclusive growth work within the Combined Authority described in para 2.11.

## **8 Background Documents**

LEP Board report (23 November 2016)

West Yorkshire Combined Authority report (1 December 2016)

West Yorkshire Combined Authority report (3 August 2017)

LEP Board report (29 November 2017)

West Yorkshire Combined Authority report (14 December 2017)

LEP Board report (16 January 2018)

West Yorkshire Combined Authority report (1 February 2018)

## **9 Appendices**

Appendix 1 – Summary of achievements of the inclusive growth project

Appendix 2 – City Region policy framework

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## **Achievements from the inclusive growth project**

Under the leadership of the project director, partners from across the City Region have come together to put inclusive growth at the heart of the collective agenda and share information and learning about where there is chance to go further.

The main report describes how the expanded policy framework and local inclusive industrial strategy drive better living standards, particularly in the most deprived communities. In addition to this, the inclusive growth project has resulted in some major changes for the City Region:

### **1. To harness the power of anchor institutions we have:**

- Secured commitment from 20 major anchor institutions across West Yorkshire and York to examine how they can become inclusive organisations.
- Shared good practice on No Silver Bullet across the network Impact on over 100,000 workers, stretching take home pay of the lowest paid by the adoption of inclusive employment and pay policy and practice.
- Prompted the Combined Authority and local authorities to understand how public procurement can deliver more social value.

### **2. To share learning about how partners can best address poverty and put communities at the heart of inclusive growth we have:**

- Drawn out lessons from previous anti-poverty work and initiatives across the region, including the Single Regeneration Budget, New Deal for Communities and Neighbourhood Renewal Fund.
- Run workshops for stakeholders to develop potential standards for authorities to consider implementing, including maximizing take-up of benefits to which families are entitled.
- Organised and held mini-conference with voluntary and community service organisations across West Yorkshire and also Locality, exploring barriers to community enterprise and engagement.

### **3. To understand the potential for good work to improve productivity we have:**

- Commissioned 'Timewise' to evaluate flexible working in the City Region - *'Making good jobs flexible and flexible jobs good'* and share learning about good practice.
- Added stretching and proportionate inclusive growth criteria to the Business Grants Programme, including a more stretching threshold for higher paying jobs.

### **4. To ensure low paid workers in councils are supported we have:**

- Prompted local authorities to agree to treat low pay as if it were a protected characteristic.
- Supported councils to meet the living wage foundation benchmark for the lowest paid staff – currently 8,000+ employees, including apprentices and agency workers.

- Launched discount programmes to help provide savings for the same cohort which stretch take home pay by more than £900pa.
- Prompted efforts to increase the take-up of pension membership amongst low paid staff.

**5. To challenge the Combined Authority to be as ambitious as it might be we have:**

- Asked the Joseph Rowntree Foundation and project director to review the Strategic Economic Plan and associated projects and programmes and advise about they might be refocused to drive inclusive growth outcomes. This has consisted of:
  - Operational changes that have been or are being made;
  - Policy changes that require a decision but where there is consensus about what is required – such as to grants conditions, procurement, ticketing or socio-economic policy;
  - Ideas that are more complex and need further consideration/policy development. This includes, for example, incorporating the living wage into all contracts, incentivising employers to offer opportunities to people with ill health (esp. mental health problems) and targeting disadvantaged groups in our engagement and consultations.
- Explore how the devolution of powers and funding might be pursued in a way that drives inclusive growth.

# VISION

“TO BE A GLOBALLY RECOGNISED ECONOMY WHERE GOOD GROWTH DELIVERS HIGH LEVELS OF PROSPERITY, JOBS AND QUALITY OF LIFE FOR EVERYONE”  
*[range of expressions of this vision will be developed so that it speaks to our different audience in a language and format they understand]*

CHALLENGE / PRIORITIES



EVIDENCE BASE / POLICY DEVELOPMENT - ONGOING



GOLDEN THREAD



IMPACT AREAS



DIFFERENCE FOR WHOM (COHORTS/SEGMENTATION)

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**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Response to Transport for the North's Strategic Transport Plan Consultation**

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**Director:** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** Steve Heckley

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

## 1 Purpose of this report

- 1.1 To agree to submit a response from the West Yorkshire Combined Authority to Transport for the North's consultation on its draft Strategic Transport Plan, and to agree the key principles of that response

## 2 Information

- 2.1 Transport for the North (TfN) published a draft Strategic Transport Plan (STP) for the North on 16 January 2018, and commenced a formal public and stakeholder consultation to run for 13 weeks from 16 January to 17 April 2018. The STP is available from TfN's website at:  
[https://transportforthenorth.com/wp-content/uploads/TfN-Strategic-Plan\\_draft\\_lr.pdf](https://transportforthenorth.com/wp-content/uploads/TfN-Strategic-Plan_draft_lr.pdf).
- 2.2 TfN was created as a pan-Northern Partnership Board of civic and business leaders working to develop the case for transformational investment in transport in the North. In April 2018 TfN will become the first Sub-National Transport Body in England tasked with making recommendations on transport investment on behalf of the North to Highways England, Network Rail, High Speed 2 (HS2) Ltd and the Department for Transport.

2.3 The draft STP is TfN's flagship policy document setting out its plans for investment in strategic transport in the north in the 30 year period up to 2050. The STP was produced by TfN in collaboration with the 11 Local Enterprise Partnerships and the 19 Local Transport Authority partners in the North, which includes the West Yorkshire Combined Authority. TfN will finalise the STP following the consultation exercise for publication in September 2018.

2.4 The STP sets out TfN's proposals to help drive economic growth, explaining the need for investment in transport and identifying priority areas for improved connectivity. TfN present the need for change based on an underachieving northern economy where the economic value per person in the North (measured by GVA) is 25% below England's average, and income per person is £7,500 per annum less. To bridge the productivity gap, achieve a transformational £100bn increase in GVA and the creation of 850,000 additional jobs above business as usual, TfN set out four high level objectives:

- Increase efficiency, reliability and resilience in the transport system;
- Transform economic performance;
- Improve access to opportunities across the North;
- Promote and support the built and natural environment.

2.5 The STP identifies four key components of its strategy to deliver its objectives:

#### Rail

- Northern Powerhouse Rail - with ambitious plans to provide rapid, reliable and resilient rail links between the North's major towns and cities, with a picture of what that network could look like;
- Long Term Rail Strategy - an updated rail strategy is being published alongside the STP to identify investment in the wider rail network of lines, stations, services and franchises to deliver greater connectivity, capacity and cost effectiveness;

#### Road

- Major Road Network - TfN has identified the roads across the North that are vital for economic growth and most requiring of improvement to provide faster, and more reliability of journey times and greater resilience in the network;

#### Integrated and Smart Travel

- To support a new era of simple and seamless public transport journeys across the North - with multi-modal contactless payments system supported by the provision of consistent, integrated travel information.

2.6 The draft STP provides a high level statement of policy and strategy around the four key components described in paragraph 2.6 above. The detailed investment programme is still to be developed, but the STP does introduce TfN's approach to the identification of Strategic Development Corridors (SDC) which are being used to identify investment priorities in support of a pipeline of projects going forward, for delivery in the short term (up to 2025), medium

term (2026-35) and long term (2036-50). The SDC link important prime capability assets and important economic centres to provide the focus for improving connectivity. The seven corridors are:

- **Multi-Modal** (Rail and Road) - (A) Connecting the Energy Coast, (B) Central Pennines, (C) Southern Pennines, (D) West and Wales
- **Rail** - (E) East coast to Scotland, (F) North West to Sheffield City Region
- **Road** - (G) Yorkshire to Scotland

- 2.7 Each of these SDC have some relevance to West Yorkshire and the Leeds City Region, with the Central and Southern Pennines SDC having the greatest geographic significance. The Central Pennines SDC covers a broad area from Liverpool and Blackpool on the west coast through to Scarborough and Hull on the east coast and includes Leeds, Bradford, Calderdale, Kirklees, Wakefield Districts and York as well as Preston and Warrington. The Southern Pennines SDC covers Liverpool to Grimsby and includes Manchester, Sheffield, Doncaster and Scunthorpe and well as southern parts of West Yorkshire, mainly in Kirklees.
- 2.8 The Central Pennines is the subject of a current TfN study to investigate in detail the needs and options for transport investment for the area. The first phase of the study to March 2018 involved gathering information to understand problems and identify options. The second stage from April to autumn 2018 will involve modelling and appraising potential interventions, towards the publication of a report and Strategic Outline Case in autumn 2018. A Southern Pennines study will commence in April 2018. Both corridors have a strong focus on east-west connectivity and the inadequacy of routes and constraints on movement. The Combined Authority is a participant in both studies.
- 2.9 TfN's focus is on facilitating journey's with pan-northern significance for the movement of people and goods e.g. longer distance, inter-city movements, but parts of local networks that give access to national and international gateways such as ports and airports are also considered in scope. Solutions are envisaged to cover building new transport infrastructure and getting the best, most consistent performance out of existing infrastructure.
- 2.10 TfN identify their headline costs for the full 30 year plan period at around £70bn. This assumes £39-43bn of current levels of spend associated with committed schemes through existing road and rail processes being continued through the lifetime of the plan, supplemented by an additional £21-27bn which would provide the additionality and transformational impacts. This level of spend equates to £150 per northern citizen per year, or £2-£2.3billion per year in total. There is an assumption of reliance on the government for a large part of this funding, but also a recognition of the need to address other innovative ways to generate investment.

- 2.11 The Combined Authority at its meeting of 3 August 2017 re-affirmed its commitment to a set of five investment priorities for TfN to support and help progress. These are:
- A **Northern Powerhouse Rail Network** (NPR) that radically improves journey times across the North with stops in Leeds, Bradford and York and integrates effectively with HS2;
  - Continued investment in the existing rail networks including significant improvements to the **Calder Valley Line** and **East Coast Mainline**;
  - Press the case for **HS2** and the **Transpennine Route Upgrade** (TRU);
  - Consider how to reduce congestion and improve reliability on the **M62**.

#### Consultation

- 2.12 The STP consultation is held on-line, hosted on the TfN website at: <https://surveys.ipsosinteractive.com/mriWeb/mriWeb.dll>. TfN has supported the consultation with five simultaneous launch events (with one in Leeds) and 33 engagement events across the North open to the public and organisational stakeholders, with four held in West Yorkshire (in Halifax, Bradford, Leeds and Huddersfield).
- 2.13 TfN is inviting stakeholders, businesses, transport users, the public and other interested parties to provide their views. TfN is also seeking the formal feedback of its partners such as the Combined Authority.
- 2.14 It is proposed that the Combined Authority responds to the consultation on behalf of all the West Yorkshire District Councils. The Transport Committee meeting of 16 March 2018 endorsed a set of key principles that it considered should form the core of a Combined Authority response. These key principles highlight the Combined Authority's priorities identified in paragraph 2.11, and are:
- The Combined Authority and its partners welcome the draft STP as a high level statement of policy and strategy, and support the vision and proposition for transformational investment in transport in the North to deliver sustained economic growth;
  - The Combined Authority is keen to see the STP and its investment programmes reflect the strategic transport priorities of the Combined Authority and its partners, and whilst we are happy that the contents of the STP broadly corresponds with those priorities, we will be looking for TfN to:
    - Set out a strong message on the economic and wider benefits of Northern Powerhouse Rail connecting Manchester and Leeds via Bradford city centre, and Leeds to Newcastle via York;
    - Re-affirm the requirement for the timely implementation of HS2 Phase 2b to Yorkshire, including the junctions required to allow NPR services to make use of the HS2 and classic rail networks;

- Provide a strong statement on our other prioritised rail investment requirements, with a focus on ambitious route upgrades that enable improvements to all passenger and freight services on the Trans-Pennine and Calder Valley Line routes, alongside investment in NPR. Given the considerable uncertainty about the future of the East Coast Main Line, its services and investment, as set out in agenda item 9, we will be looking for the STP to set out a clear requirement for ambitious plans to address this;
  - Provide a commitment to working with the Combined Authority to further develop and implement the Leeds Integrated Station Masterplan, including addressing rail infrastructure capacity requirements at and around Leeds Station to help maximise opportunities arising from HS2;
  - The Combined Authority and its partners welcome the proposals for the identification and funding of a Major Road Network for the North and the approach to treating the Major Road Network and Strategic Road Network as a coherent entity. The Combined Authority will be seeking TfN support for our priorities in respect of the Strategic Roads Network particularly in respect of strengthening the performance and resilience of the M62 motorway, with the inclusion of schemes in the short, medium and long term investment programmes for the M62 and parts of the Major Road Network that link to or provide congestion relief for the Strategic Road Network, as well as major roads schemes facilitating access to our most important economic places;
  - The Combined Authority welcomes the proposals for Integrated ticketing and Smart Travel, and will be looking for TfN to work with the Combined Authority to help develop and integrate ticketing and information products developed through our Mobility as a Service programme;
  - The STP in focussing on longer distance, pan-northern movements currently lacks detail in respect of connectivity with local transport networks and especially interchange between transport modes, which are important for the first and last miles of the journey, and the document could be strengthened in this respect;
  - The Combined Authority will seek to work with TfN to ensure the STP and its investment programmes align with and help to deliver the policies and plans set out in the Combined Authority's policy framework and particularly help to maximise opportunities arising from the Leeds City Region Growth Strategy and the Connectivity Study work currently underway to develop inclusive growth corridors, as well as helping to deliver the local growth and regeneration aspirations identified in District Local Plans.
- 2.15 A draft consultation response is being prepared by officers based on the key principles identified above and this will be updated with the comments from this meeting to submit to TfN's deadline for responses of 17 April 2018.

### **3 Financial Implications**

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

## **4 Legal Implications**

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

## **5 Staffing Implications**

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

## **6 External Consultees**

6.1 The proposed key principles of the consultation response have been developed with the input of Transport Committee and of the West Yorkshire District Councils

## **7 Recommendations**

7.1 That the Combined Authority agrees to submit a response to the Transport for the North consultation on its draft Strategic Transport Plan

7.2 That the Combined Authority agrees, subject to comments at this meeting, to the key principles identified in paragraph 2.14 to form the basis of the Combined Authority's response to TfN's Strategic Transport Plan consultation.

7.3 That the Combined Authority agrees that approval of the final consultation response is delegated to the Combined Authority's Managing Director in consultation with the Chair of the Transport Committee.

## **8 Background Documents**

TfN Strategic Transport Plan

[https://transportfornorth.com/wp-content/uploads/TfN-Strategic-Plan\\_draft\\_lr.pdf](https://transportfornorth.com/wp-content/uploads/TfN-Strategic-Plan_draft_lr.pdf)

## **9 Appendices**

None.



**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Transforming Cities Fund**

**Director:** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** Tom Gifford

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

## 1 Purpose of this report

1.1 To provide an update on the Transforming Cities Fund guidance.

## 2 Information

2.1 The Combined Authority considered an overview of the Transforming Cities Fund at the 14 December 2017 meeting. As reported in December, the Chancellor announced in the November 2017 Budget, the ‘Transforming Cities Fund’ – A £1.7 billion fund “to support intra-city transport, will target projects to drive productivity by improving connectivity, reducing congestion and utilising new mobility services and technology”.

2.2 The Transforming Cities Fund (the ‘Fund’) aims to improve productivity and spread prosperity through investment in new local transport infrastructure and sustainable transport in some of the largest English city regions.

2.3 On 13 March 2018, the DfT published the guidance around the Fund<sup>1</sup>. The government has made £840 million available for competitive bidding over the four year period to 2021-22. The remaining funding has been devolved to

<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/689407/transforming-cities-fund-call-for-proposals.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/689407/transforming-cities-fund-call-for-proposals.pdf)

Mayoral Combined Authorities. The £840 million of funding is entirely capital and the guidance sets out that as with all other non-mayoral city regions, the West Yorkshire Combined Authority would be anticipated to submit a competitive bid on behalf of the region.

- 2.4 Bids will be competitively assessed against each other with funding awarded to the proposals which demonstrate the greatest improvements to productivity and offer the best value for money. The level of funding to be awarded to shortlisted city regions will be agreed by the Secretary of State after these proposals have been fully scrutinised.
- 2.5 The Fund is also anticipated to support the DfT 'Future of Mobility Grand Challenge'. This is one of four grand challenges established in the Industrial Strategy to improve people's lives and the country's productivity and put the UK at the forefront of the industries of the future.
- 2.6 The competition to access the £840 million will take a two stage application process. Initial submissions need to be made to DfT by 8 June 2018. This first stage will be a light touch submission, to identify 'selected' city regions and as such, the Department will not have regard to specific schemes included in submitted proposals when assessing bids. In the second stage, the Department will work with the successful city regions to develop scheme specific proposals. It is anticipated that the second stage detailed bids would be developed throughout the second half of 2018.
- 2.7 The Government is seeking to make a small number of large investments to drive up connectivity to centres of employment. The first stage of the competition will therefore seek evidence of the case for investment, wider fit with other stakeholders and investment pots, and the ambition of a city to improve certain routes. Whilst packages may include a number of smaller investments, the aim is for successful city regions to demonstrate clear prioritisation and recognition that a significant investment on a smaller number of corridors can have a big impact.
- 2.8 Whilst the initial competition will not seek proposals for specific schemes, packages could invest in interlinked schemes such as light rail, new bus corridors, cycling and walking infrastructure or smart technology to improve flow or integrate ticketing and live journey information. Successful city regions will be expected to make use of relevant legislation, such as the Bus Services Act 2017 and work with local transport providers to create improved user experiences for passengers and drive growth on these improved services.
- 2.9 From a Leeds City Region perspective, the Leeds City Region HS2 Connectivity Strategy which has recently been engaged upon would appear to provide a strong fit with the guidance. Consideration of the Leeds City Region bid principles will be brought to the Combined Authority meeting on 10 May, as well as being brought to Transport Committee on 25 May.
- 2.10 To support the development of this significant bid, a 'Task and Finish' member working group, for portfolio or lead members could be set up to shape the submission. An officer working group is also being arranged.

### **3 Financial Implications**

- 3.1 There are no direct financial implications directly arising from this report.
- 3.2 The guidance highlights the need for private sector contributions to play an important role as part of the submission.

### **4 Legal Implications**

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

### **5 Staffing Implications**

- 5.1 Development of the Transforming Cities Fund submission will be led from the existing Combined Authority transport and economic policy team. Development of the submission will require support from partners across the City Region.

### **6 External Consultees**

- 6.1 The principles of the Transforming Cities Fund have been considered by the LEP Board, Transport Committee, Directors of Development as well as Chief Executives and Leaders.

### **7 Recommendations**

- 7.1 That the Combined Authority notes the principles of the Transforming Cities Fund guidance and the first stage deadline for submission of a bid by 8 June 2018.
- 7.2 That the Combined Authority endorses the arrangement of a member led working group for portfolio/lead members, to shape the response to the Transforming Cities Fund submission.

### **8 Background Documents**

Transforming Cities Fund Guidance Document:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/689407/transforming-cities-fund-call-for-proposals.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/689407/transforming-cities-fund-call-for-proposals.pdf)

14 December 2017 report to the Combined Authority on Transforming Cities Fund.

### **9 Appendices**

None.

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**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Gender pay gap**

**Director:** Angela Taylor, Director of Resources

**Author(s):** Angela Taylor and Joanne Grigg

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

## 1 Purpose of this report

1.1 To provide the Combined Authority with information on the gender pay gap.

## 2 Information

2.1 The Combined Authority is required to publish its gender pay gap. This is a requirement of the gender pay gap legislation which requires all organisations with more than 250 employees to publish information for those employees in scope at 31 March 2017.

2.2 **Appendix 1** sets out the information in the prescribed format, showing the gender make up of the organisation, the mean and median pay gap and the pay breakdown by quartiles.

2.3 The pay gap currently stands at 14.6% ie on average female employees earn 14.6% less than male employees. This is a result of having more female employees at more junior levels in the organisation.

2.4 The below table shows how the Combined Authority compares to those who have published their gender pay reports to date within the Leeds City Region.

Council	Women's Hrly Rate		Top Quartile		Upper Middle		Lower Middle		Lower Quartile	
	Mean	Median	Men	Women	Men	Women	Men	Women	Men	Women
Bradford	8.2%	11.1%	42.0%	58.0%	41.0%	59.0%	35.0%	65.0%	24.0%	76.0%
Kirklees	10.3%	16.3%	38.9%	61.1%	33.0%	67.0%	25.5%	74.5%	18.7%	81.3%
Leeds	8.6%	13.1%	42.0%	58.0%	47.5%	52.5%	46.7%	53.3%	21.2%	78.8%
Wakefield	4.7%	2.4%	37.0%	63.0%	31.0%	69.0%	39.0%	61.0%	24.0%	76.0%
WYCA	14.6%	15.1%	63.0%	37.0%	56.0%	44.0%	46.0%	54.0%	43.0%	57.0%
Harrogate	0.5%	4.1%	47.4%	52.6%	48.4%	51.6%	49.1%	50.9%	56.8%	43.2%
Barnsley	8.1%	12.4%	36.20%	63.80%	33.50%	66.50%	31.30%	68.70%	25.70%	74.30%

2.5 The Combined Authority is committed to reducing the pay gap and already has a number of policies and working practices in place to encourage gender diversity and to encourage women into more leadership roles. These measures and future plans are set out on page 4 of **Appendix 1**.

2.6 A similar analysis is being undertaken of the ethnicity pay gap. Whilst this is not required by legislation, equality and diversity are important principles for the Combined Authority and through understanding the gap it will be possible to identify an action plan to close any gap, alongside the actions already identified for the gender pay gap.

### 3 Financial Implications

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

### 4 Legal Implications

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

### 5 Staffing Implications

5.1 As set out in this report.

### 6 External Consultees

6.1 No external consultations have been undertaken.

### 7 Recommendations

7.1 That the Combined Authority notes the gender pay gap and support the actions proposed to address this.

### 8 Background Documents

None.

### 9 Appendices

Appendix 1 – Gender pay gap 2017

## Gender pay gap 2017

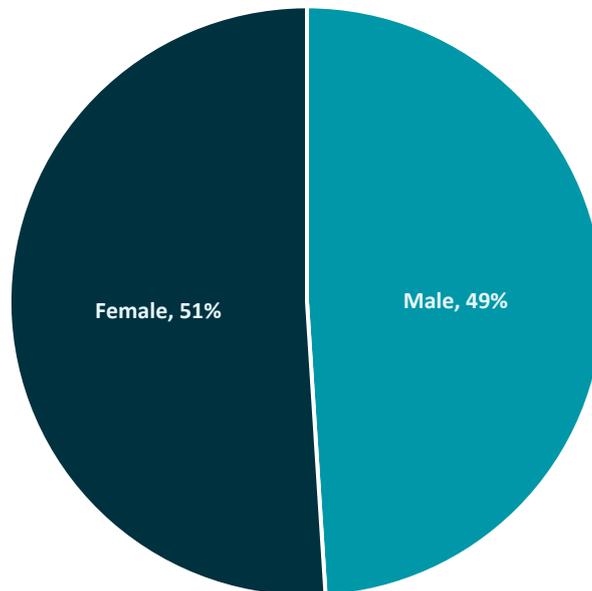
Gender Pay Gap legislation was introduced in 2017 requiring all employers of 250 or more employees to publish their gender pay gap for workers in scope on 31 March 2017 and each year thereafter.

This involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation.

The West Yorkshire Combined Authority's pay systems use the Hay job evaluation system to support the fair treatment and reward of all staff irrespective of gender. We value diversity and inclusion, and are working to ensure that each and every member of our organisation has opportunities to fulfil their potential.

### Gender make-up of our organisation

The female/ male split of our organisation is:



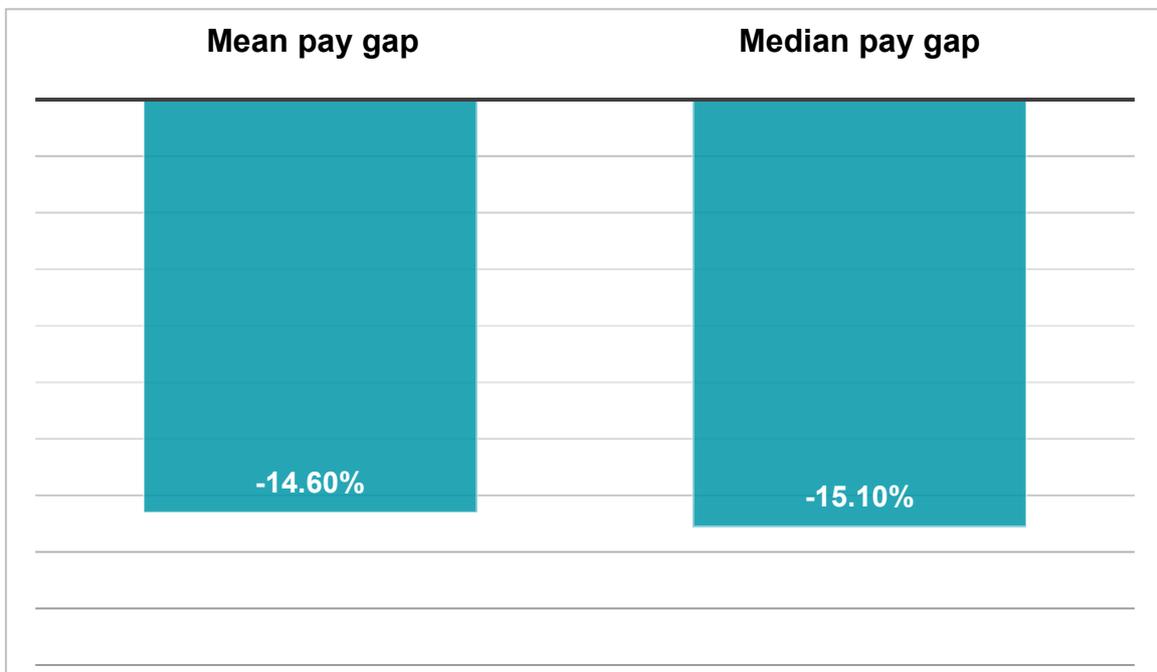
The gender split of our organisation is well balanced and gives an indication of our commitment to equality and diversity. We are keen to maintain a healthy gender balance and this remains high on our equality agenda.

## Our pay gap

We have calculated our mean pay gap. This calculation compares the average pay of female employees against the average pay of male employees and calculates the percentage difference.

We have also calculated our median pay gap. This calculation looks at the mid earning point of female employees and compares this to the mid earning point of male employees and calculates the percentage difference.

These figures are for the whole of our organisation.



This mean figure shows that when looking at our organisation as a whole, our female employees earn on average 14.6% less than our male employees.

This median figure shows that when looking at our organisation as a whole, the middle point for our female employees is 15.1% lower than that of our male employees.

Our mean pay for female employees is 14.6% lower than for male employees. The gap between median salaries for female and male workers is broadly similar at 15.1%.

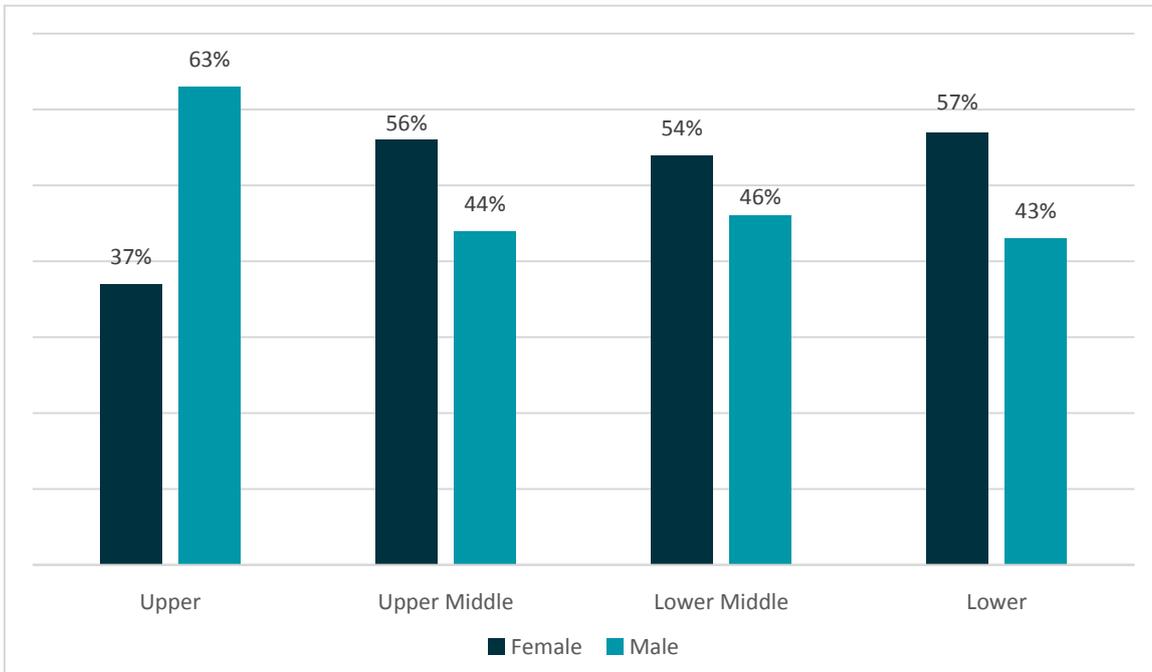
As an employer committed to inclusion and equality for all of our employees, we do not see any gap as acceptable – especially as the gender make up of our organisation is balanced.

We have already taken measures to improve our organisation’s gender balance and will be taking further actions over the coming year and beyond to narrow our gender pay gap as far as possible. These actions are set out below.

A key factor for our female employees earning lower pay than our male employees is that we have more female employees working at a junior level in comparison to our male employees.

Over the coming year, we will review our recruitment, our progress and our training for female candidates and staff, and will launch a campaign focusing on women in leadership, to ensure that more women are able to progress into leadership roles within our organisation.

### Percentage in pay quartiles by gender

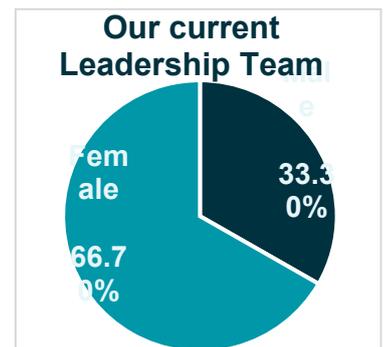


Within our organisation, the average pay for female employees is higher in every pay quartile except the upper quartile.

Since 51% of the Combined Authority’s employees are women, this further underlines the fact that the majority of our female employees were concentrated in more junior grades in March 2017.

As an organisation, we have a real opportunity to be seen as a standard bearer for gender equality. Our senior leadership team is now two thirds female and we have more female heads of service now that at any point in our recent, or longer term history as a transport authority. Meanwhile our current political Chair is the only female head of a combined authority in the UK.

We intend to take full advantage of this opportunity by putting in place measures that encourage and enable women to progress into



leadership roles, and ensure our organisation is seen by talented female workers as an employer of choice.

## **What we are doing to close our gender pay gap**

- Part time working/ job share is encouraged at all levels in organisation. Over a quarter of our workforce works part time
- Flexi time and flexible working is fully supported with 84% of flexible working requests received in 2017 being approved
- Celebrating diversity is part of our new values and behaviours that were launched in 2017
- Creating a wider campaign focusing on women in leadership roles to look at ways of attracting women of talent to work for the Combined Authority and inspire our existing women leaders to encourage and motivate our junior graded women to aspire to be great leaders in more senior roles
- We have recently commenced developing a “Women In Leadership” training programme to encourage internal promotion of our female employees
- Increase the number of staff on apprentice schemes under 25yrs of age to balance our age profile. We expect this to be gender balanced

## **We have further plans to reduce our pay gap:**

- Our flexible working project aims to provide the working environment and supporting technology to enable employees to work collaboratively with each other and with our partners, in smarter and more flexible ways
- Redesign and review current equality and diversity strategy to support our ambition to celebrate diversity in our workforce
- Relaunch our approach to equality via a new diversity and inclusion policy in April 2018
- Explore the value of launching a women’s returner programme which specifically targets women who have been out of employment



**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Corporate planning and performance**

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**Director:** Angela Taylor, Director of Resources

**Author(s):** Louise Porter and Jon Sheard

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

## 1 Purpose of this report

- 1.1 To provide the West Yorkshire Combined Authority with an update on progress against the 2017/18 corporate plan and to provide an update on wider corporate performance issues.
- 1.2 To seek endorsement from the Combined Authority to the corporate plan for 2018/19.

## 2 Information

### Progress against the 2017/18 Corporate Plan

- 2.1 The 2017/18 Corporate plan set out a vision for the Leeds City Region to be recognised globally as a strong and successful economy where everyone can build great businesses, careers and lives. In order to deliver this the Combined Authority set out a number of key organisational priorities for 2017/18 as follows:
  - Long-term policies and strategies to transform the region, focusing on the things that will have the biggest impact on prosperity and productivity here

- Giving more people in deprived communities access to services and opportunities so growth benefits everyone
  - Bringing new investment and decision-making powers into the City Region
  - to put our plans into action
  - Providing a strong, collective voice for the City Region nationally and internationally
  - Delivering transport and other major infrastructure schemes that create jobs and economic opportunity for all
  - Providing transport and economic services that connect people to jobs and business opportunities and improve quality of life in the City Region
- 2.2 In order to measure progress against these priorities the corporate plan also set out 23 key performance indicators (KPI's) and a mid-year update on these was presented to the Combined Authority in October 2017. An update on the current position with regard to these KPI's is provided at **Appendix 1**.
- 2.3 The information contained at **Appendix 1** is based on a full update of the KPI's which was undertaken in early January 2018, to show the position as at the end of December 2017 (quarter three). However where possible the data has also been further updated to take account of any changes that have been measured during January and February 2018. The position presented at **Appendix 1** therefore reflects the most up to date information, prior to final measurement and data collection following the close of the 2017/18 financial year.
- 2.4 Of the 23 core KPI's presented in **Appendix 1**:
- 11 are rated as 'Green' and are on track to exceed/meet the target
  - 6 are rated as 'Amber' and as such there is a risk that the target will not be met
  - 4 are rated as 'Red' and are considered to be at significant risk of not being met
  - 2 have not been awarded a rating (one is a 'monitor only' KPI and the other is reliant on annual survey data which is not yet available.)
- 2.5 Further details regarding the four KPI's which are currently rated as red are provided below:
- 2.6 The number of confirmed **additional active exporters** in the region, realised through marketing and referrals made from the Trade and Investment Team and wider business support services to export delivery partners, remains below the targeted level. There is however a particular issue with regard to obtaining export data from the Department of International Trade (DIT) on the outcome of the 154 referrals that have been made to them through the team during the last year. An alternative way of collecting this export data via the Growth Managers has been developed. Growth Managers have been asked to collect this intelligence from businesses via a very simple survey which will mean less reliance on the DIT data going forward. The first data is expected to be received before the end of the financial year so there is more data to report against this target.

- 2.7 The percentage of **concessionary passes ordered online**, has continued to remain below the target of 65%. As part of the mitigation for this, changes are currently being made to improve the online process based on customer feedback received.
- 2.8 The percentage **increase in digital presence and reach** across our communications channels has remained below the target. While remedial action is now underway to address this, resourcing issues earlier in the year have had a significant impact on progress against this target to date.
- 2.9 The **number of apprentices working for the Combined Authority** is currently 4 (although approval for a 5<sup>th</sup> has recently been secured). The target of 11 is therefore not currently on track to be delivered. Further work is being undertaken to provide guidance to recruiting managers to assist in addressing this.

#### **Corporate risk update**

- 2.10 As previously reported to the Combined Authority a review of corporate risk management arrangements has been undertaken and has resulted in the development of an updated corporate risk management strategy. The purpose of this strategy is to more clearly set out the key organisational principles by which risk management activities will be governed and to ensure a consistent approach to all risk management activities across the organisation.
- 2.11 In parallel to the development of an updated corporate risk management strategy, a review of the key strategic risks affecting the organisation has also been undertaken. These strategic risks have been collated into an updated corporate risk register which is attached at **Appendix 2**.

#### **Corporate Plan 2018/19**

- 2.12 The Combined Authority's activities are led at an overarching strategic level by the Strategic Economic Plan approved by both the West Yorkshire Combined Authority and the Leeds City Region Enterprise Partnership. In order to translate this into practical measurable actions an annual corporate plan is produced and approved each year. This plan confirms the vision and mission for the organisation and the practical steps for how these are to be progressed during the year.
- 2.13 The annual corporate plan also includes key performance indicators to measure the success of these deliverables and regular reports will be provided to the Combined Authority to provide information on progress against these indicators. The corporate plan will be kept under review throughout the year to ensure it reflects any changes arising, for example, from the work underway to develop the Local Inclusive Industrial Strategy.

- 2.14 A draft structure for the 2018/19 Corporate Plan was reported to the February meeting of the Combined Authority alongside a detailed summary of the business plans for each directorate. Based on these documents, the content for the 2018/19 Corporate Plan has now been developed and is presented at **Appendix 3** for consideration and feedback from Combined Authority members. It should be noted that at this stage the document has not been subject to a design process and this will follow once the content has been agreed. The key performance indicators to measure progress against priorities are under development. The current long list of these is included as part of Appendix 3 and feedback is invited from members.

### **Budget position**

- 2.15 A summary of the 2017/18 current spend to budget / forecast as at 28 February 2018 is attached at **Appendix 4**, with some commentary on the changes set out in the following paragraphs.
- 2.16 The overall position shows that actual expenditure is at 89% of the original forecast, suggesting an approximate 2% saving using a straight line spending profile which is 91.7% at the eleventh month stage. The revised forecast is consistent with this position, indicating £2.5m reserves are required rather than the original figure of £3.5m previously reported.
- 2.17 The main contributor for the improved forecast is the managed staff vacancy and recruitment position in the second half of the year, as plans were being drafted to achieve a balanced budget proposal for 2018/19.

### **2018/19 Corporate Performance Reporting**

- 2.18 It is proposed that during the 2018/19 financial year the Combined Authority receives an update on corporate performance at all of its meetings to cover: progress against corporate priorities through key performance indicators; spend against budget position and changes to corporate risk. It is envisaged that this will take the form of a summary performance report concentrating on any key changes in these areas during the reporting period and highlighting any areas of concern. This update report would then be supplemented by a more detailed bi-annual performance report to the Combined Authority to show the detailed position with regard to all key performance indicators, detailed budget position and full corporate risk register.

## **3 Financial Implications**

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

## **4 Legal Implications**

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

## **5 Staffing Implications**

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

## **6 External Consultees**

6.1 No external consultations have been undertaken.

## **7 Recommendations**

7.1 That the Combined Authority notes the information on corporate performance.

7.2 That the Combined Authority endorses the 2018/19 corporate plan, with a final sign off delegated to the Managing Director, in consultation with the Chair of the Combined Authority and the LEP Chair.

## **8 Background Documents**

8.1 None.

## **9 Appendices**

Appendix 1 – 2017/18 KPI progress update

Appendix 2 – Corporate Risk Register

Appendix 3 – Draft Corporate Plan 2018/19 text

Appendix 4 – 2017/18 Budget Summary

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## Appendix 1: Current Performance against KPI'S by Directorate (Quarter 3/4 Position)

### DELIVERY:

Indicator	Corporate Plan KPI	Target	Current Position	RAG Rating	Notes
Actual spend vs planned spend (Growth Deal)	Y	Within 10%	End Sept target was £20m and actual was £27.44m	G	Our target for the 2017/18 financial year is £100.15m, as at the end of Quarter 3 Growth Deal spend was £39.79m, with an expected final outturn of £92.6m
Percentage of schemes with identified programme funding progressing from Expression of Interest to (activity one) Combined Authority decision point two within three months	Y	90%	92%	G	On track
Number of 'live' projects in the Assurance Process 13	Y	Monitor only	117	Monitor only	This figure only includes those projects which have been through the new WYCA assurance process in start of 17/18.

### ECONOMIC SERVICES:

Indicator	Corporate Plan KPI	Target	Current Position	RAG Rating	Notes
Number of businesses that want to grow receiving support	Y	2500	1707	A	We expect the annual target to be met when the next round of pop up cafes takes place in Q4 combined with the addition of businesses supported through the Travel Plan Network.
Average cost per job created in businesses receiving capital investment	Y	£12,500	£10,143	G	Remains a positive figure and below the national average.
Proportion of businesses supported by Growth Service likely or very likely to recommend it	Y	80%			This is measured annually through a survey of supported businesses as part

Indicator	Corporate Plan KPI	Target	Current Position	RAG Rating	Notes
					of the Growth Service evaluation which is undertaken in Q4 and reported in Q1 of 2018/19.
Number of businesses supported to offer apprenticeships	Y	1000	1779	G	
Deliver a model of enhanced enterprise, employability and careers to disadvantaged pupils (2 encounters per pupil)	Y	6000	2408	A	Over 6000 pupils have had one encounter. This target may be met when these pupils are continued to be supported in Q4 with a second encounter.
Number of businesses engaged with schools	Y	160	134	A	Performance in early Q4 has increased this figure to be closer to target.
New Jobs Committed	Y	1000	2444	G	
Number of additional Active Exporters	Y	100	5	R	There is an issue with regard to obtaining export data from the Department of International Trade (DIT) see paragraph 2.6 of covering report.

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### TRANSPORT SERVICES:

Indicator	Corporate Plan KPI	Target	Current Position	RAG rating	Notes
Average cost per mile of tendered bus services	Y	£1.85	£1.94	A	Overall spend on supported bus services has reduced. The current figure does not reflect the expected impact of reductions in supported services in September and October that will generate significant savings p.a. in excess of £1m. In addition inflation is running at 3.6% against the original forecast of 2%.

Indicator	Corporate Plan KPI	Target	Current Position	RAG rating	Notes
Percentage of concessionary passes ordered online	Y	65%	36%	R	Changes are currently being made to the CHASE system to improve the online process. See paragraph 2.7 of covering report.
Percentage of MCard ticket sales via travel centre alternatives	Y	70%	70.3%	G	On track. App now launched and picking up 5% of sales along with ticket machines accounting for 8%. Travel Centre and Payzone both account for 1/3 of sales.
Online interactions/enquiries as a proportion of total	Y	97%	96%	G	On track. Information kiosks have been installed at bus stations
Value of MCard sales	Y	£30.5m	£28.3m	G	Sales are up 3.9% (£1,059,055) year to date in comparison with previous year.
Satisfaction with passenger information (Annual Tracker Survey)	Y	8.2	8.00	A	

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**POLICY, STRATEGY & COMMUNICATIONS:**

Indicator	Corporate Plan KPI	Target	Current Position	RAG rating	Notes
Percentage increase in digital presence and reach across our channels	Y	500%	190%	R	Remedial action underway. See paragraph 2.8 of covering report.
Estimated 'advertising value equivalent' (AVE) of media coverage (new technical indicator)	Y	£2m	c£3.2m	G	Even with much narrower criteria there has been a step change in coverage achieved

**RESOURCES:**

Indicator	Corporate Plan KPI	Target	Current Position	RAG rating	Notes
Average time per transaction (requisitions/invoices /purchase invoice paid)	Y	3 days/ 100%	3 days/ 93.6%	G	
Number of apprentices working for the Combined Authority	Y	11	4	R	Remedial work currently underway. See paragraph 2.9 of covering report.
Development review completion rate	Y	100%	57%	A	Position as at 31/12/17.
Website availability - (i.e. working and accessible to the public)	Y	98%	Q1 - 98.3% Q2 - 99.9% Q3 - 99.7%	G	WYCA, Metro, M-card, City Connect websites

**Appendix 1: Corporate Risk Register**

Current Date: Feb 18  
 Current Version: v0.03

ID	Date raised	Type	Description	Cause	Consequences	Probability	Impact	Rating	Existing Controls	Action Countermeasure and Owner	Risk Owner	Last Review Date	Status
CS1	04/08/17	Communication/Stakeholder Management	Failure to properly communicate the purpose of WYCA/LEP to internal and external stakeholders	Poor communications Lack of identity / brand	WYCA/LEP reputation harmed Poor relationships Low staff morale Lack of progress in delivery	Possible	Moderate	High risk	1. New communications team established 2. Brand/identity rolled out internally on 5th Feb 3. Brand/identity being rolled out externally from 12 Feb	1. continued implementation of brand / identity project - Comms team	Head of Comms & Marketing	28/02/18	Open
F1	03/08/17	Financial	Failure to secure enhanced funding and devolved powers	Unsuccessful devolution deal	Failure to meet WYCA's vision and objectives Poor WYCA/LEP reputation	Possible	Highly Significant	Very high risk	1. Devolution discussions continuing as a key organisational priority	1. Continue devolution discussions taking account of recent developments in South Yorkshire	Director of Policy, Strategy & Comms	28/02/18	Open
F2	14/11/17	Financial	Failure to secure continued funding for key economic services including the Growth Service, Skills Service, Apprenticeship support and Enterprise in Education programmes;	Current funding sources due to expire	reductions to service withdrawal of services reputational failure to meet objectives	Possible	Highly Significant	Very high risk	1. BEIS is currently negotiating with HMT to secure additional funding for post April 18 2. Business Rates Pool application submitted in August 17	1. Regularly review funding opportunities 2. Lobbying activities	Executive Head of Economic Services	28/02/18	Open
F3	14/11/17	Financial	National and local investment in the Inclusive Industrial Strategy is insufficient to make the transformational change we need	National strategy does not meet expectations Local strategy does not meet Government aspirations	Limited funding opportunities negative impact on Devolution discussions Reputational	Possible	Major Disruption	High risk	1. Ongoing dialogue with Government	1. Continued development of draft strategy	Director of Policy, Strategy & Comms	28/02/18	Open
HR1	03/08/17	Human Resources	Failure to have in place the capacity and resources to deliver the increased workload	WYCA structure not fit for purpose Unable to recruit	Poor WYCA/LEP reputation Lack of progress in delivery Low staff morale Risk of no further funding from government	Possible	Major Disruption	High risk	1. One Organisation Change programme has identified new organisational structures to address this and these are now largely implemented	1. Complete implementation of One Organisation Change programme - Corporate Planning and Performance 2. Complete recruitment - Directors	Director of Resources	28/02/18	Open
PC1	03/08/17	Partnerships/Commercial	Failure to develop appropriate working arrangements with districts	Poor relationships Unclear vision and objectives	Worsening relationships WYCA/LEP reputation harmed Lack of progress in delivery	Unlikely	Major Disruption	High risk	1. Work to strengthen key partnerships being led by policy teams 2. Assurance process implemented and contributing towards more consistent working arrangements on the delivery of projects and programmes with districts	1. Continue to strengthen key partnerships - policy teams 2. Embed assurance process - PMO	Director of Policy, Strategy & Comms	28/02/18	Open
R2	14/11/17	Regulatory/Legal	Risk of legal challenge as a result of not being compliant with regard to HR, Financial, procurement and Governance Legislation	Policies and procedures not followed correctly Processes not understood/embedded	Reputational Financial loss	Unlikely	Major Disruption	High risk	1. Policies and processes in place 2. Training undertaken	1. Continued review of policies and procedures	Director of Resources	28/02/18	Open
R3	28/11/17	Regulatory/Legal	Risk of financial penalty/legal proceedings as a result of not being compliant with the new GDPR regulations when they come into force in May 2018	New GDPR legislation requires significant changes to be introduced in limited timeframe DPO appointed but not in post until February 2018	Financial loss Reputational damage	Possible	Major Disruption	High risk	1. LCC have undertaken and audit on our behalf and action plan has been identified 2. Working group set up to implement action plan 3. Training rolled out to all staff	1. Data Protection Officer now in post and undertaking detailed review of action plan to re-prioritise as needed	Director of Resources	28/02/18	Open
SD1	26/07/17	Service Delivery/Service User Risk	Failure to deliver WYCA objectives and outcomes to demonstrate that WYCA/LEP is making a difference		Poor WYCA/LEP reputation Lack of progress in delivery Low staff morale Risk of no further funding from government	Unlikely	Highly Significant	High risk	1. One Organisation programme is delivering structure and process changes designed to deliver key organisational objectives	1. Complete One Organisation programme to deliver structure and process changes - Directors	Director of Resources	28/02/18	Open
SD3	14/11/17	Service Delivery/Service User Risk	Failure to meet spend targets on Growth Deal	Lower capacity in Districts Recruitment and retention challenges Unforeseen project specific issues	Reputational loss of funding failure to meet objectives	Possible	Highly Significant	Very high risk	1. Significant monitoring and controls in place through PMO	1. Call for projects to ensure healthy pipeline of projects/programmes	Director of Delivery	28/02/18	Open
SS1	14/11/17	Safety/Security	Risk of Major incident at WYCA facility, accident or injury to vulnerable person(s)	Policies and procedures not followed correctly Incident outside the control of WYCA affecting facility	Danger to Human Life Financial loss Reputational damage disruption to services	Possible	Highly Significant	Very high risk	1. policies, procedures and processes in place 2. staff training 3. Ongoing review of Health and Safety risks	1. Working with district emergency planning units to share knowledge and develop joint plans 2. Continued working with police on preventative measures	Director of Transport Services	28/02/18	Open

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## 2018/19 Corporate Plan – draft copy (JG/ v.1)

### Contents

[To add]

### Foreword

#### A region brimming with confidence and opportunity

**Cllr Susan Hinchcliffe – Chair, West Yorkshire Combined Authority**

[Insert head and shoulders pic]

Ours is a region brimming with confidence and opportunity.

The achievements of the past year and more have put us in a great place to realise the strong, successful and socially inclusive economy that is the ultimate goal of political and business leaders in our region.

Over the past 12 months, our region has been named the top destination in the North for overseas investment – attracting global brands including Burberry, Perform Group and Sky to locate and create jobs here – and the only northern region to show growth in international trade. We've seen the fastest private sector growth in the country, and are earning a global reputation for our business strengths in leading-edge sectors including digital, tech and finance.

As the backbone of our economy, our people remain our strongest asset and inclusive growth our greatest priority. With the fastest growing young population in the country we are developing a talented, home-grown workforce for the future, which is attracting businesses and other talented workers who want to be part of what we're creating.

Our thriving cultural scene – which last year saw The Hepworth gallery in Wakefield crowned museum of the year and the spectacular Piece Hall in Halifax reopen on a Yorkshire Day to remember – has helped make our region one of the top visitor destinations in the world and is central to the quality of life for which we are rightly renowned.

And, as an economy that laid down some of the first railway infrastructure in the country, we're now building the road, rail and sustainable transport infrastructure for the future through our £1 billion Transport Fund and influence through bodies such as Transport for the North.

These successes are all built on a firm foundation of partnership working between the public and private sectors. As the organisation at the heart of these partnerships, our Combined Authority's aim this year is to build on the momentum we have already generated, continuing to deliver multi-million pound transport and economic regeneration schemes that will bring significant benefits to local people, while also working towards a devolution deal that will enable us to make our region an even more amazing place to live and work.

## **Ben Still – Managing Director, West Yorkshire Combined Authority**

Our organisation is having a positive impact on our region and the achievements set out in this Corporate Plan are testament to the difference that we and our partners are making to communities and people's lives.

That said, our region – like the UK as a whole – is going through a period of great change, and as the driving force behind local partners' efforts to grow the economy faster and for the benefit of all, we need to be in the best possible place to respond positively to the challenges and opportunities ahead.

This is why the continual transformation of our organisation has been central to our work over the past year, and will continue to be a top priority over the coming year.

Over the past 18 months we have completely restructured the organisation, placing a firm emphasis on transparency, accountability and delivery, focused on results and value for money. This job is well begun, but with more to do to this year to ensure our organisation is fully "mayor ready" for when our political leaders reach an agreement with government for a transformative devolution deal for the region, at whatever scale.

Supporting politicians' efforts to secure this deal will be central to our work. We will save money by transforming our approach to public transport services. We will develop policy across our partnership of 10 councils that promotes economic success focused on enabling the widest range of people and places to benefit from this prosperity. We have an exciting and challenging year ahead!

## **Introduction**

### **Our 2018/19 Corporate Plan**

In this plan, we set out what we've achieved over the past year and what we plan to do over the coming 12 months to continue making lives better in Leeds City Region.

### **Our vision**

We work in partnership with local councils and business working to ensure everyone in our region benefits from a strong, successful economy and a modern, accessible transport network.

By harnessing the combined efforts of local councils and businesses, our vision is to make Leeds City Region known globally as a place where everyone can build great businesses, careers and lives, supported by world-class transport, housing and digital connections.

[Inset image: Leeds City Region map. Caption: "The majority of our work benefits the 10 local authority areas known collectively as Leeds City Region"]

### **How we achieve this**

We champion our region's interests nationally and internationally to secure government and other investment to drive the region forward. We are currently investing around £2 billion to deliver better transport and housing, regenerate our towns and cities and protect our environment.

We also help businesses to grow and create skilled jobs, and provide support, funding and information to help people travel around the region easily and affordably on good quality public transport and cycleways.

[Inset box]:

### What we do

We focus on the issues that it makes most sense to address collectively and in partnership across the city region:

- **Long-term policies and strategies** to transform the region, focusing on the things that will have the biggest impact on inclusive growth and productivity
- Giving more people in deprived communities **access to services and opportunities** so growth benefits everyone
- Bringing **new investment and decision-making powers** into the City Region to put our plans into action
- Providing a **strong, collective voice** for the City Region nationally and internationally
- Delivering transport and other **major infrastructure schemes** that create jobs and economic opportunity for all
- Providing transport and economic services that connect people to jobs and business opportunities and **improve quality of life** in the City Region

### Powerful partnerships

Partnership is fundamental to everything we do. We work closely with councils across the region to ensure our policies, services and capital infrastructure projects meet the needs of communities and help deliver local priorities.

We also work closely with the private sector through **the Leeds City Region Enterprise Partnership** (LEP) to develop, shape and deliver policies that meet the needs of employers in the region. We operate **the Metro network** of bus stations, travel centres and public transport information in West Yorkshire.

[pull quote: "Everything we've achieved together has been in partnership, with the public and private sectors working together to a common end." – Tom Riordan, Chief Executive of Leeds City Council, speaking in a film we produced this year to promote the strengths of Leeds City Region to the world]

[Image – still of Tom from the film]

## 2. The difference we're making

In the past four years since the Combined Authority was established we've started to make a big difference to our region's economy, working in partnership with local councils and the LEP.

[Pull quote: "Thanks to our work over the past year and more, our record-breaking Growth Deal with Government is now having a real positive impact on local communities, businesses and people. We've invested £400m so far in new roads, rail stations, world-class college facilities and regeneration schemes. Looking ahead, we must continue to strive and work towards delivering a globally significant economy that's not only important to Leeds City Region, but also to the North and the nation." – Roger Marsh OBE – Chair, Leeds City Region Enterprise Partnership (LEP) ]

[Image: Kirklees, something new is coming your way hoarding]

### 2017/18 highlights

How we've performed against our headline key performance indicators (KPIs) for last year:

[Inset box – info to follow]

*The 2017/18 Corporate Plan set out 23 key performance indicators to measure progress against our priorities. A full year end position on these will be compiled following final measurement and data collection after the close of the 2017/18 financial year. A mid-quarter four position on progress against these priorities is due to be reported to the Combined Authority at their meeting of 5 April.*

In the past year alone, working with our partners, we have:

**Made our economy stronger by helping businesses grow and attracting new investment:** [Icon: graph showing upward growth]

- **2,200** businesses supported to grow and become more productive through our LEP Growth Service in partnership with our local authorities.
- **£6.5 million** worth of grants provided to help over 200 small and medium-sized enterprises (SMEs) grow and create jobs
- **#1** location in the North for overseas investment, supported by the role our Trade and Investment team has played in attracting new companies such as Burberry to the region
- **430** enquiries from overseas investors received as a direct result of Leeds City Region's presence at the MIPIM global property conference in recent years – supported by us and majority funded by the private sector
- **#4sparks** – our campaign to persuade Channel 4 to come to Leeds City Region

- **2** new incubation and innovation centres started on site – the Nexus innovation centre at the University of Leeds and the Huddersfield Innovation and Incubation Project – to help businesses innovate and grow

**[Mini case studies:**

- **Powering future growth in Wakefield:** OE Electrics, a manufacturer and distributor of electrical equipment, has doubled the size of its operations in Wakefield thanks to support from the LEP and Combined Authority, leading to the creation of 144 local jobs.
- **Attracting global businesses:** Global fashion brand, Burberry, opened its new office in Leeds last October following support from the LEP, Combined Authority and partners, bringing more than 400 jobs and strengthening the company's ties with Leeds and Yorkshire.]

[Pull quote: “Opening an office in Leeds reinforces our commitment to the UK and to Yorkshire, home of our iconic trench coat.” – Former Burberry Director, Christopher Bailey (originally from Halifax), announcing Burberry's move to Leeds]

[Images: OE Electrics or generic manufacturing image showing people at work; Burberry with pull quote overlaid]

**Invested in our future workforce:** [icon: people]

- **4** new, state-of-the-art college facilities opened thanks to our Growth Deal funding: the Northern Dental Education Centre (NORDEC) in Bradford, the Advanced Skills and Innovation Centre at Wakefield College, a new apprenticeship training centre at Selby and the new Printworks campus at Leeds City College.
- **3** further college developments started on site, including the Dewsbury Learning Quarter in Kirklees, Leeds College of Building and Leeds City College's Quarry Hill campus
- **16,800** interactions between employers and young people in school organised this year as a result of our **Enterprise Adviser programme**
- **4,000** apprenticeship opportunities across the city region created for 16-24 year olds from our apprenticeship grant for employers over the past two years

**[Mini case study:**

- **Training the next generation of dentists:** NORDEC, the Northern Dental Education Centre, opened at Bradford College last September thanks to Growth Deal investment. It is set to train 1,000 dental health professionals in the next four years.]

[Images – NORDEC opening with Cllr H and Roger M, young people]

**Connecting people to jobs, education and opportunity:** [icon: person, bus, bike]

- **£18 million** investment in providing vital bus links for communities across West Yorkshire that wouldn't otherwise have had a bus services
- **640** people have benefitted from funded cycling training for commuters, employers, jobseekers and apprentices
- **£56 million** invested in providing affordable bus travel for young people and people over retirement age
- **200,000** people now travel around the region using our MCard smartcard every week, and this year we've made it even easier to use with a new android app and self-service ticket machines in bus and train stations
- **£1 million** invested in measures to speed up buses at congestion hotspots across West Yorkshire thanks to our Bus18 partnership with bus operators. Following feedback from young people, we have also removed the need for school pupils to show a half fare pass if they're wearing their school uniform
- **100,000** people used our Metro-branded bus stations daily
- Our **access buses** help older and disabled people live more independent lives

**[Mini case studies:**

- **Connecting communities:** Our tendered bus services have continued to provide a lifeline for communities over the past year. A minibus service introduced by the Combined Authority has helped communities in Knottingley to access local shops and services in Pontefract
- **Supporting budding cyclists:** Over 2,000 school children have had support from learning to ride to getting the confidence to cycle to secondary school through our CityConnect initiative encouraging more people to travel by bike or on foot]

[Images: bus image, M-card ticket machines, school children cycling]

[Pull quote: “**Getting on the bike again felt like being free again, it opens up new horizons for me. I like being on the bike as I can go anywhere at my own pace, you save on bus fares as you can just jump on a bike.**” Stephanie from Batley, a recipient of a bike through our CityConnect Cycles initiative to enable her to travel to work]

**Improved our transport network:** [icon: train]

- **2,500** new homes are set to be built in Wakefield thanks to our Transport Fund investment in the Wakefield Eastern Relief Road which opened last June
- **£10.9 million** invested in building Low Moor station in Bradford – the third new train station we've opened in West Yorkshire in 16 months, improving links between Bradford, Halifax, Leeds, York and Manchester

- **#1** in the Northern Transport awards for three of our transport projects: Kirkstall Forge train station in Leeds, the Beacons ticketless bus travel scheme which won the “excellence in technology” award and, with Leeds and Bradford Councils - the CityConnect Cycle Superhighway – the longest segregated cycleway in the country, linking these two major Yorkshire cities
- **£173.5 million** secured from the Department of Transport in partnership with Leeds City Council for the #ConnectingLeeds programme which will transform the city’s bus service, expand Park and Ride provision and develop proposals for three new train stations
- **20,000** new jobs set to be created in Leeds City Region as a result of HS2. We’ve continued to lobby for increased investment in our region’s transport network over the past year through our participation in Transport for the North, ensuring stops in Bradford, Leeds and York were included in plans for the new high-speed Northern Powerhouse Rail line when they were published in February
- **2** new strategies adopted setting out how we will work with partners to improve our overall transport network and our bus system, especially between now and 2040. This is alongside a new masterplan for Leeds station in preparation for HS2 arriving, and an overall HS2 Growth Strategy setting out how we and our partners will maximise the benefits of high-speed rail for local people and communities.

[Mini case study: The route to new homes and employment in Wakefield: the Wakefield Eastern Relief Road was the first project funded by our £1bn Transport Fund to be completed in June 2017. It provides a new link between key housing and employment sites, and has opened up access for 2,500 new homes in the city.

[Images: WERR?, CycleSuperhighway, Low Moor, people on bus, York station, Huddersfield bike shed]

**Improved air quality and protected our environment:** [icon: wind turbine]

- **10,000** car journeys per week taken out of Leeds city centre following the opening of the new Temple Green Park and Ride last summer – our third park and ride delivered in partnership with Leeds City Council
- **£23.5 million** investment made in new, low-emission buses by bus operators, Arriva and First West Yorkshire, thanks to our Bus18 partnership
- **£3 million** Growth Deal investment made in new flood defences in Leeds city centre
- **500,000** cups of tea = the equivalent energy saved by businesses benefitting from reduced energy bills thanks to the LEP’s Resource Efficiency Fund
- **£2.9 million** Growth Deal funding invested in tackling fuel poverty across Leeds City Region

- **600** households benefitted from reduced energy bills thanks to improvements made through the Better Homes Yorkshire programme

[Mini case studies: Temple Green Park and Ride; REF business]

[Images: Hebden Bridge, P&R, REF business, Bus18?]

### Secured extra funding and powers for our region

- **£320,000** secured for a sixth phase of our One Public Estate programme to develop housing and social care projects in Dewsbury, Halifax and Harrogate
- **£660,000** secured from the Government's Land Release Fund to bring forward new housing on smaller, council-owned sites
- **£1 million** secured as a result of a successful submission to Government ahead of the Budget, enabling us to continue supporting businesses through the LEP Growth Service until 2020
- **£4.2 million** secured to retrofit buses in West Yorkshire to reduce emissions and improve air quality

### Making our organisation fit for the future

Over the past two years we have been transforming our organisation to ensure it is in the best possible place to deliver the investment for which we are now responsible and be "mayor ready" ahead of any devolution deal to the region. This organisational transformation will continue to be a priority for us during the coming year and beyond.

#### The changes we have made already include:

- Bringing three former separate bodies – the passenger transport body, Metro, the LEP team and the region's inward investment and marketing teams – into a **single, completely restructured and streamlined organisation** supporting both the LEP Board and the Combined Authority
- **Strengthening governance and accountability** so that all of our committees now meet in public – including webcasting our Combined Authority meetings, taking measures to make the LEP the most transparent local enterprise partnership in the country and taking proactive measures to respond to Government's review of local enterprise partnerships nationally
- **Introducing new values and behaviours** with our employees to ensure we are even more focused on results, accountability, being easy to do business with and working together in partnership
- **Learning lessons from the past** – and continually striving to improve
- Ensuring all projects and decisions are supported by a **robust business case**.

- Creating our portfolio management office (PMO) to put in place a robust approach to ensuring the **right projects are delivered on time and on budget**, and support our partners to bring forward good quality schemes for funding
- **Improving our processes and systems** to help us take informed decisions in the most efficient way, and tackling past capital underinvestment
- **Strengthening our relationships with our partners**, including meeting face to face with local council groups in West Yorkshire and York and launching a monthly eNews for partners, so that we can do more together more effectively on behalf of the region
- Introducing a **new brand identity** for our organisation to save money and make it easier for our partners and the public to understand what we do

### 3. What's coming next?

#### Meeting the challenges and opportunities ahead...

An important focus of our work over the next year and beyond will be to ensure we are prioritising the right issues to enable our region to meet the opportunities and challenges of the coming years head-on.

Our long-term priorities:

- **Boosting productivity:** closing the gap between Leeds City Region's productivity rate and the UK average could add £10 billion to our economy, creating thousands more skilled jobs. We will focus on boosting business productivity, innovation and growth – particularly in fast-growing sectors such as tech – to drive up economic growth and living standards.
- **Enabling inclusive growth:** as economies globally look to tackle inequality, we aim to be a leader in promoting inclusive economic growth that benefits everyone. Alongside this, we will continue our efforts to improve air quality and minimise the impact of climate change on communities and businesses.
- **Delivering 21<sup>st</sup> Century transport:** we will ensure that major transport schemes such as HS2, Northern Powerhouse Rail and improvements to the Trans-Pennine and East Coast main lines are delivered and benefit all parts of our region. We will transform how we deliver publicly supported transport for people in the city region.
- **Devolution:** we will continue to support local politicians' efforts to secure a devolution deal that ensures our region can continue investing in those issues that make people's lives better. We will also continue our efforts to attract government and business investment to the region, including a significant share of the UK Prosperity Fund to replace European funding.
- **Delivery** – we will continue to deliver our £1bn Growth Deal and £1bn Transport Fund, ensuring the right projects are delivered on time and on budget. We will also continue to modernise our organisation, ensuring we're in the best possible place to respond to the opportunity of devolution and saving money through innovative new approaches to delivering services.

## Our plans for 2018/19 at a glance

### Supporting businesses to grow and attracting investment [icon: growth]

Over the coming year, working with our partners, we will:

- Support a further **3,650 businesses** in our region to grow and become more productive
- Help create **500 jobs** through our support for businesses
- Attract new global investors to the region with the aim of creating **1,500 new jobs** for local people
- Establish a team to **manage relationships with at least 120 internationally owned firms** already within the region, and work with them to secure new investment and jobs
- Promote Leeds City Region's strengths in the key sectors of advanced manufacturing, digital, healthcare and financial and professional services, securing **180 meetings with investors**
- Inspire a further **100 companies to export** and a further 100 to increase their global trade
- Address skills shortages in key sectors by enabling **1,400 employees** of City Region businesses to improve their skills with support from our LEP Skills Service
- Boost the region's productivity rate by **supporting 70 businesses** to develop innovative new products and processes
- Produce a new Digital Framework for Leeds City Region, setting out plans to boost our region's fast-growing tech sector and make **every business a digital business**
- Support business innovation and productivity with the completion of two **new innovation and incubation facilities**: the Nexus innovation centre at the University of Leeds and the Huddersfield Innovation and Incubation Project

#### [Mini case study: Huddersfield Innovation and Incubation Project]

### Connecting people to skills and jobs

Over the coming year, working with our partners, we will:

- Ensure our employment and skills programmes **promote inclusive growth** by supporting the progression of low paid workers and providing additional education and careers activities to less advantaged pupils
- Create **1,000 apprenticeship opportunities** through our advice and support for businesses
- **Work in close partnership with colleges** in the City Region to ensure that education and training provides the skills our economy and businesses need
- Provide **accessible transport services** for people with personalised travel needs through our AccessBus service, and help children with special educational needs travel safely between home and school
- Coordinate **home to school transport** on behalf of our partner councils

- **Expand the range of digital services** to help people find travel information and buy tickets online, while reducing paper-based services
- Enable people to travel around the region easily and affordably through our MCard – the **most extensive smartcard scheme outside London** – generating £30 million in ticket sales
- Expand the range of **travel discounts for younger people** through our concessionary fare scheme and close working with bus and rail operators
- Continue working in partnership with bus operators to **transform the quality, accessibility and responsiveness of bus services** in the region
- Enable over 6,000 people and businesses to see the health, environmental and economic benefits of cycling and walking through **cycling training and grants and other activity via our CityConnect programme**

[Pull quote: Cllr Wakefield – transformation of transport services]

[Mini case study: making it easier for young people to travel by bus]

### Transforming our region's transport infrastructure

Over the coming year, working with our partners, we will:

- Deliver over **£70 million worth of transport infrastructure** schemes through our West Yorkshire-plus Transport Fund and other funding programmes
- Create more **world-class cycling infrastructure** enabling people to travel to work by bike including projects in York, Leeds, Bradford, Castleford and Wakefield, plus a scheme to open up cycle access to our region's canals
- Complete **major new road schemes** to reduce congestion on key commuter routes including Kirkgate in Wakefield and the A629 in Halifax
- Move **other key transport schemes** across West Yorkshire and York towards delivery by providing project management and transport planning expertise to local councils, enabling them to bring schemes forward for funding
- Oversee **multi-million pound improvements to transport hubs** in our towns and cities including Bradford Interchange, Halifax bus station, Castleford rail station gateway and New Station Street in Leeds.
- Start on site with the first phase of West Yorkshire's **ultra-low-emission vehicle (ULEV) taxis project** with the goal of making 5.1% of our region's taxis ULEVs by 2020
- Continue to **influence regional and national transport investment** programmes – including Transport for the North's and Highways England's investment programmes – in the interest of our area's transport priorities
- Shape the development of **key rail and bus improvements** including Northern Powerhouse Rail, the Transpennine route upgrade, Calder Valley improvements and East Coast Mainline
- Support the delivery of the **#ConnectingLeeds** programme, working with Leeds City Council to provide faster bus journeys, improved city centre and local transport interchanges and new Park and Ride sites
- Develop proposals for **four new rail stations** in West Yorkshire

[Mini case study: Halifax – A629]

## Transforming our places through regeneration, housing and development

Over the coming year, working with our partners, we will:

- Enable **61 economic regeneration projects** worth £45 million to go ahead
- Complete **new world-class college facilities** at Kirklees College's Dewsbury Learning Quarter and Leeds College of Building, and continue supporting the construction of Leeds City College's Quarry Hill campus
- Support development of a **Leeds City Region Accelerating Housing Delivery** prospectus, working with our partner councils and housing developers to secure the funding and resources to build up to 13,000 new homes a year to meet housing demand and support economic growth in the City Region
- Enable **450 new homes** to be built through our grant and loan investment, including 200 homes on the New Bolton Woods and Beech Hill developments in Bradford
- Invest £2.2 million to tackle fuel poverty and enable around 1,000 households across Leeds City Region to save money on their energy bills
- Install **new superfast broadband** infrastructure to benefit more than 49,000 residents and businesses in West Yorkshire and York who don't yet have superfast broadband.
- Help **attract new business investment to York** by enabling 8,000 square metres of new commercial floorspace to be built at York Central and York Guildhall
- **Enterprise Zones** – set up a dedicated team to speed up the development and use of these sites in Leeds and along the M62 corridor.

[Pull quote: Cllr Box on investment in places]

[Mini case study: fuel poverty]

## Creating a cleaner, greener environment

Over the coming year, working with our partners, we will:

- Help communities get access to **low cost, low carbon, locally generated energy** by investing £4 million of Growth Deal money in the Leeds district heat network – one of 16 commercially viable district heat schemes identified across Leeds City Region
- Enable 1,000 households to save money and **become more energy efficient** through the Better Homes Yorkshire programme
- Support 80 businesses across Leeds City Region to **save money on their energy bills** and improve their productivity in relation to use of water and waste through resource efficiency funding and advice
- Provide **sustainable travel advice and support** to businesses, recruiting a further 80 new businesses to our 360-strong Travel Plan Network

- **Improve air quality** by working with transport operators to provide cleaner buses, spending a £4.2 million government grant to upgrade the emissions standards of mid-life buses and taking advantage of opportunities test new fuel technologies. Supporting Leeds in plans for a low emissions zone.
- Produce a Leeds City Region Energy Strategy setting out how we will meet our region's energy needs and **generate clean energy**, and a Green/ Blue Infrastructure Delivery Plan for how we will use our region's natural assets to **protect against flooding**.

[Mini case study: flood prevention – Wyke Beck?]

### Securing new powers and funding for our region

Over the coming year, working with our partners both in the city region and across Yorkshire, we will:

- Continue to support political leaders' case for an **ambitious devolution deal** for our region, over whatever geography, securing the powers and resources to maintain investment in the region
- Develop a single, bold Local Inclusive Industrial Strategy to drive growth and **boost productivity and earning power** in the region to 2030 and beyond
- Bid for a **significant share of funding opportunities** that arise from Government when they support our priorities – including future rounds of Growth Deal funding
- Continue to develop **long-term, evidence-led policies and secure funding** to transform our City Region's local, regional, national and international transport connections
- Provide a Brexit evidence base, and ensure our policies and programmes take full account of Brexit. Work hard to ensure city region **European funding** is fully allocated and play a key part in shaping the successor to EU funding through the UK Prosperity Fund.

[Pull quote: Cllr Blake on transport investment/ TfN]

## 4. Delivering our priorities

### Continuing our transformation

We will continue our organisational transformation over the coming year, focusing particularly on:

- Making sure we are practicing what we preach by being a **champion for inclusive growth** in everything we do – including our approaches to procurement and HR and the way that we deliver our services
- Restructuring our corporate resources teams to better meet customers' needs and ensure **value for money** given the financial pressures we and our partners face
- Developing **new processes to enable decisions** by committees and officers to be taken in the most efficient way possible, while also ensuring we remain 100% compliant with our obligations as a public body

- Putting in place **new processes for risk and performance management** across the organisation
- Continuing to **drive culture change** by ensuring all parts of our organisation live and breathe our values and behaviours
- Ensuring our organisation is “**mayor ready**” and in the best possible place to respond to the opportunities of devolution for our region at whatever scale is agreed

## Our governance and partnership

Our Combined Authority team supports the work of the Combined Authority itself and the Leeds City Region Enterprise Partnership (LEP) – one of 38 local enterprise partnerships nationally. These two boards inform everything we do and take decisions about our investment.

The Combined Authority is made up of elected politicians from the councils of Bradford, Calderdale, Kirklees, Leeds and Wakefield, plus York and the LEP Chair representing the views of business. All decisions relating to our investment – including decisions taken by the LEP Board – are approved at public meetings of the Combined Authority which take place six times a year.

The LEP Board, under a private sector chair, brings together business, council and university leaders – working with private sector businesses and industry bodies across the region – to ensure that our work meets the needs of employers in the region. Its remit covers the whole of Leeds City Region.

The Combined Authority and LEP Board are supported by a number of committees and advisory panels. All of our meetings are held in public and information, including reports and minutes of every meeting, are available on our website. See [insert link] for full details of our governance arrangements.

[insert map of Leeds City Region in context of wider Yorkshire and Humber region – Yorkshire shaded in pale turquoise, Leeds City Region to be shaded in mid teal, West Yorkshire and York in darker teal. Key: Leeds City Region – the geography covered by the LEP// West Yorkshire and York – the membership of the Combined Authority.]

## Our organisational structure

Our officer team is organised into four directorates focusing on:

- **Policy, Strategy and Communications** – developing policies and strategies to transform the region, securing the investment to put those policies into action, and championing the region’s interests nationally and internationally
- **Delivery** – overseeing our multi-million pound programme of capital investment in transport improvements and economic regeneration, ensuring the right projects are delivered on time and on budget, and that the greatest possible benefits are realised for the region

- **Transport Services** – providing high-quality, responsive services to connect people to jobs and other economic opportunities, and running our Metro-branded network of bus stations, travel centres and public transport information
- **Economic Services** – supporting businesses to grow, attracting new companies to invest in the region, and supporting skills development to help people progress and prosper and businesses become more productive

These four directorates are supported by a **Resources** directorate, which ensures that our organisation takes decisions in an open, transparent way, spends money wisely, and develops a high-performing team.

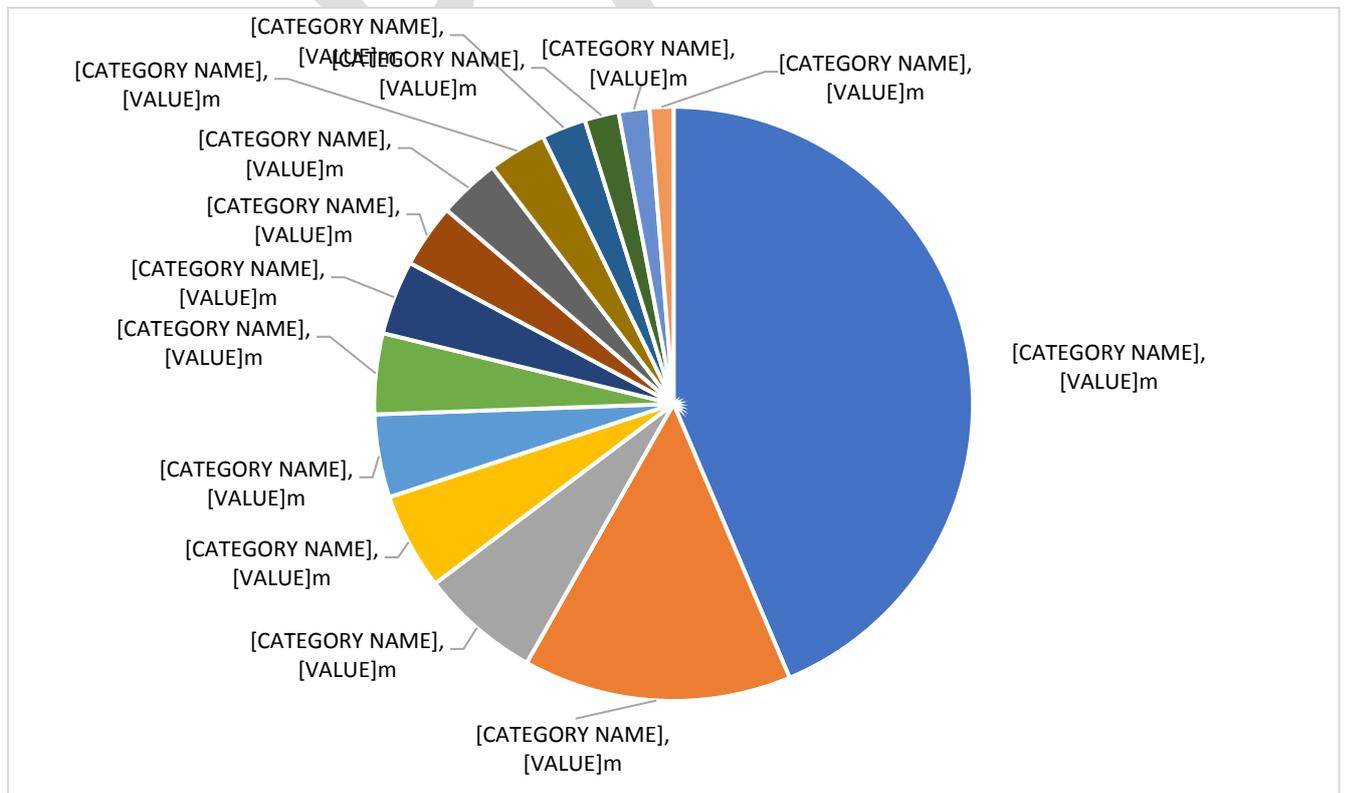
[Insert organogram illustrating the structure of the organisation with head and shoulders photos of the leadership team:

- Ben Still – Managing Director
- Liz Hunter – Interim Director of Policy and Strategy
- Melanie Corcoran – Director of Delivery
- Dave Pearson – Director of Transport Services
- Sue Cooke – Executive Head of Economic Services
- Angela Taylor – Director of Resources]

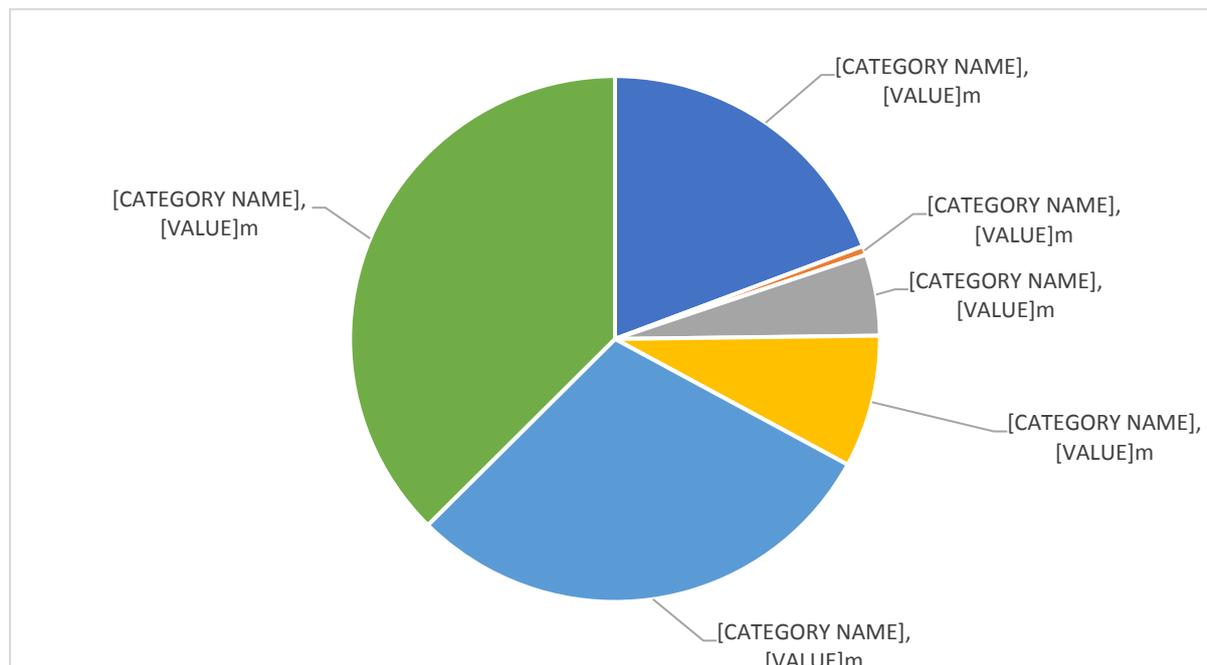
### Where our funding comes from and how we spend it

[Design note: Pie chart labels to be better spaced in designed version]

Where are we spending in 2018/19 £m:



Where our funding comes from in 2018/19 £m:



As a public body we must ensure that our budget is balanced.

The majority of our revenue funding comes from the transport levy that West Yorkshire councils collect as part of their Council Tax and other transport funding. £46 million of this goes directly towards providing free travel for older people, which is a statutory obligation. The rest goes towards activities that we have determined as local priorities, including concessionary fares for young people, socially necessary bus services and travel information services.

Capital funding through the LEP Growth Deal, our West Yorkshire-plus Transport Fund and other, smaller investment grants that support our capital infrastructure programmes, including improvements to road, rail and cycleways, regeneration schemes, new college facilities and housing developments.

We also bring in government, European and private sector funding to support our economic services and support for businesses. Private sector sponsorship pays for an increasing amount of our trade and investment work to attract new companies to the region, and we generate income through our bus stations and sales of our MCard. Over the next three years we will make savings from these services in line with the reduced revenue funding available to our council partners.

Like all public bodies, we face financial pressures and consistently look for ways to save money – particularly in our corporate services.

#### What this funding delivers:

- More jobs for local people

- Small and medium-sized businesses supported to grow
- More businesses locating in the region
- More apprenticeships, education and training opportunities for young people
- Modern, accessible transport infrastructure
- More, better quality housing
- Accessible, responsive bus services connecting people to jobs and education
- Additional investment for our region

### **Measuring our success**

We will use the following key performance indicators (KPIs) to measure our success in 2018/19:

*A long list of KPIs has been developed to measure progress against organisational priorities in 2018/19. These were considered by Overview and Scrutiny Committee on 23 March 2018 and are now being updated further prior to a final list being included in the Corporate Plan. The current draft list of indicators is provided at Appendix 1.*

## **5. Our partners**

Combined Authority members:

[Insert logos for Bradford, Calderdale, Kirklees, Leeds, Wakefield, York and LEP]

Working with:

[Insert logos for Harrogate, Craven, Selby, North Yorkshire and Barnsley]

## **6. Find out more:**

westyorks-ca.gov.uk

[www.the-lep.com](http://www.the-lep.com)

Twitter: @westyorkshireca

Twitter: @LeedsCityRegion

[Enquiries@westyorkshire-ca.gov.uk](mailto:Enquiries@westyorkshire-ca.gov.uk)

0113 251 7272

### **Back cover:**

CA logo

In partnership with LEP stamp

Metro – our transport network stamp

DRAFT

**Appendix 1: 2018/19 Proposed Measures and KPI's – Draft Long List for discussion**

**Policy, Strategy and Communications Directorate:**

<b>POLICY, STRATEGY &amp; COMMUNICATIONS DIRECTORATE</b>			
<b>Proposed Indicator</b>	<b>Target</b>	<b>Measure</b>	<b>Notes</b>
Development of a funding framework	A framework that prioritises how we bid for opportunities that align with objectives with a review of local funding options completed.	Annual	tbc – quarterly review of progress.
Development of the Local Inclusive Industrial Strategy	End March 2019 – to be in the first wave of places to develop strategies	Annual	tbc – quarterly review of progress.
Development of our approach to mobility as a service and an agreed an action plan.	Plan agreed [date tbc]	Annual	tbc – quarterly review of progress.
Progress Leeds Public Transport Improvement Programme	Rail stations to Outline Business Case and connecting communities and transport hubs programme passed over to Delivery. [dates tbc]	Milestones/ Annual	tbc – quarterly review of progress. In partnership with Leeds
Organisational research strategy setting out key research and evidence themes.	Approach agreed and strategy developed by June 2018	Milestones/ Annual	Implementation plan to reduce consultancy spend.
Local Inclusive Industrial Strategy impact and outcome report	Approach agreed and strategy developed [date tbc]	Milestones/ Annual	Integral part of monitoring the strategy and linking intervention to support the strategy on the impact and outcome at community and local level work.
Advertising value equivalent	£4million p.a.	Annual / Quarterly review	based around 5 regional stories a week and 1 national stories a week

**POLICY, STRATEGY & COMMUNICATIONS DIRECTORATE**

<b>Proposed Indicator</b>	<b>Target</b>	<b>Measure</b>	<b>Notes</b>
Social media reach	Double reach	Annual	Reach not followers - tbc
Followers increase	300%	Quarterly	
Income streams developed	£50k	Annual	To be reinvested into digital, engagement, external affairs tools

**Delivery Directorate:**

**DELIVERY DIRECTORATE**

<b>Indicator</b>	<b>Target</b>	<b>Measure</b>	<b>Notes</b>
Develop and embed the Portfolio Information Management System (PIMS) including the Combined Authority and districts fully utilising	By March 19	Quarterly	in partnership with local authorities
Embed and develop monitoring and reporting in parallel with PIMS including the Combined Authority and districts fully utilising.	By March 19	Quarterly	in partnership with local authorities
Embed controls for the assurance process following revisions and new templates and guidance including all key staff /partners briefed	By September 2018	Quarterly	in partnership with local authorities
Combined Authority Accommodation project <ul style="list-style-type: none"> <li>- Essential condition investment</li> <li>- Refurbishment</li> </ul>	On site by end of 2018 xx% of complete by xx 2019 (tbc)	Quarterly	Member approval still to be sought. Final programme to be confirmed during concept design phase

DELIVERY DIRECTORATE			
Indicator	Target	Measure	Notes
PAT - Schemes submitted at a decision point in the Assurance Process are considered and a recommendation made by PAT within 2 weeks of submission	95%	Monthly	
Feasibility and Assurance – All projects reviewed for assurance compliance within 4 weeks of submission of an EOI, OBC, FBC, FBC+, Change Request or Project Closure Report	100%	Monthly	
Feasibility & Assurance / PMO – Undertake review of portfolio to identify potential schemes for re-profiling	Complete by March 18, options to IC for June 18		
Broadband (cumulative contractual targets, Contract 2) – (a) Total Homes Passed (b) Total superfast (>24mb/s), commercial and residential	(a) 43,086 (Total Homes Passed) (b) 35,679 (Super Fast) (c) policy framework agreement	Delivered by March 19. Review quarterly	Target does not currently include CR5 remodelling data Potential skills shortages in the market for delivery of Fibre to the Premise may impact on delivery.
Completion of the current Smartcard and information Programme (SCIP) projects (5 No., £1m value) (a) Card Application System Phase 4 delivered.	(a) Phase 4 live December 18	Quarterly	Decision on future smart card programme to be taken in light of TfN progress at mid year.

DELIVERY DIRECTORATE			
Indicator	Target	Measure	Notes
(b) Card Application System Phase 5 scoped and delivered as required. (c) Traveller Information bus map tool live (d) Hotlisting live	(b) Phase 5 live March 19 (c) Live Aug 18 (d) Roll out complete Sept 18		
Leading the implementation of other significant Transport Projects (46 No.; value c£15.762m): (a) No. of projects commencing (b) No. projects completing (c) £m budget expended / defrayed vs planned (£6.8m) (d) Significant progress in design for four new West Yorkshire rail stations.	By March 19 (a) 11 Projects on-site (b) 13 (c) Within 10% of target (d) Achieving Approval in Principle for the preferred option from Network Rail, and Outline Business Case approval under WYCA's Assurance Framework.	Quarterly	(a) Indicative List: 1. Normanton Totem 2. Castleford Rail Station 3. Leeds New Station Street 4. Halifax Bus Station 5. New Pudsey Rail P&R 6. Steeton & Silsden Rail P&R 7. Shipley Rail P&R 8. Mytholmroyd Rail P&R 9. Mirfield (B) Rail P&R 10. Horsforth Rail Accessibility 11. ULEV Lot 1  (b) Indicative List: 1. Bradford I/C SCP 2. 10 x Bus Hot Spots 3. Real Time Information installations at Morley and South Elmsall Hubs.

**DELIVERY DIRECTORATE**

Indicator	Target	Measure	Notes
<p>Facilitating partner delivery of 57 projects, value c£72.971m in the West Yorkshire Transport Fund (WYTF), Leeds Public Transport Infrastructure Programme (LPTIP) and City Connect Ambition Grant (CCAG) programme:</p> <p>(a) No. Projects approved at DP3 / OBC</p> <p>(b) No. Projects approved at DP5 / FBC</p> <p>(c) No. Projects on site</p> <p>(d) No Projects Completing (WY+TF/T Partnerships)</p> <p>(e) CCAG1 Benefits realisation completed</p> <p>(f) CCAG2 Projects Delivery completed</p>	<p>By March 19</p> <p>(a) 12</p> <p>(b) 9</p> <p>(c) 9</p> <p>(d) 2</p> <p>(e) completed</p> <p>(f) 8</p>	<p>Quarterly</p>	<p>(a) Indicative List:</p> <ol style="list-style-type: none"> <li>1. Corridor Improvement Programme junctions</li> <li>2. Castleford Growth Corridor</li> <li>3. York Central</li> <li>4. LBA Link road</li> <li>5. Stourton Park &amp; Ride</li> <li>6. Tong Street</li> <li>7. Bradford to Shipley Corridor</li> <li>8. M2D2L (A653)</li> <li>9. A62/A644 Cooper Bridge</li> <li>10. Halifax Station Gateway</li> <li>11. A629 Phase 5</li> <li>12. UTMC Programme</li> </ol> <p>(b) Indicative list:</p> <ol style="list-style-type: none"> <li>1. Ings Road Wakefield</li> <li>2. York Outer Ring Road (further junctions)</li> <li>3. ELOR</li> <li>4. A629 Phase 1b</li> <li>5. A629 Phase 2</li> <li>6. Bradford Forster Square</li> <li>7. Hard Ings Road, Bradford</li> <li>8. UTMC Phases 1 &amp; 2</li> </ol>

DELIVERY DIRECTORATE			
Indicator	Target	Measure	Notes
			<p>9. Corridor Improvement Programme junctions</p> <p>(d) Indicative list: 10. Kirkgate, Wakefield 11. A629 (1a) Halifax</p> <p>(f) Indicative list: 1. Castleford to Wakefield phases 2&amp;3 2. Canals projects x 3 3. York - Scarborough Bridge 4. Bradford - Canal Road 5. Leeds - City Centre</p>
Facilitating Economic Regeneration 61 No. Projects with a value of c£45.166m (including skills capital & innovation, Housing & Regeneration, Broadband and Better Homes)	Detailed in rows below		
<p>Skills Capital &amp; Innovation</p> <p>Skills Capital – Complete Phase 2a &amp; Phase 2b:</p> <p>(a) New build floorspace delivered</p> <p>(b) Refurbished floorspace delivered</p> <p>(c) match-funding leverage (£22m)</p>	<p>(a) 24,898 sqm</p> <p>(b) 12,100 sqm</p> <p>(c) £16.5m</p> <p>(d) Within 10% of target</p> <p>(e) Within 10% of target</p>	Quarterly	in partnership with local authorities

DELIVERY DIRECTORATE			
Indicator	Target	Measure	Notes
(d) £m budget expended / defrayed vs planned (£11m) (e) Loans defrayed (£5.45m)			
Housing & Regeneration (LGF) (a) No. projects reaching Activity 5 (b) No. new homes enabled (c) Commercial floor space enabled (sqm) (d) £5 m grant / loan (e) Leverage £50m	(a) 3 x LGF projects approved (b) 200 homes enabled by LGF funding at New Bolton Woods and Beech Hill (C) 8000sqm across York Central and York Guildhall (d) Within 10% of target (e) Within 10% of target	Quarterly	Indicative List: (a) City Fields; Beech Hill; EZ  NB The schemes within the Growth Deal Priority 4 Infrastructure for Growth Programme require a transformational package of infrastructure investment to enhance viability, improve developer confidence and unlock growth potential. Sites across the Leeds City Region require enabling works to address a number of issues including land assembly, site remediation, flood mitigation, place making, topography issues, egress/ingress issues and require enhanced connectivity often before house building can commence.  The challenge for the Combined Authority's delivery

**DELIVERY DIRECTORATE**

Indicator	Target	Measure	Notes
			to create markets and strengthen the viability of schemes, to in turn accelerate commercial and housing site delivery is compounded by how far sites are from being market ready, some sites have two or even three of the above challenges to overcome before the site is ready.
Flood Alleviation Scheme Phase 2: To deliver flood alleviation projects: commence on site (a) Wyke Beck and Natural Flood Management (b) Bradford Canal Road Corridor; Kirklees Leeds Road Corridor; Brighouse and Clifton; and Castleford (c) Spend (£2.664m) (d) Leverage £1.566m on Wyke Beck	(a) Two on site (b) Four in Pipeline (c) Within 10% of target (d) Within 10% of target	Quarterly	Assumed full spend on Wyke Beck £2.6m and £1m on Natural Flood Management
Leeds District Heat Network (a) Spend £4m (b) Leverage (£17m)	Commence construction on site (a) Within 10% of target (b) Within 10% of target	Quarterly	Lead by Leeds Council
Better Homes (a) Number of homes improved (b) Tackling Fuel Poverty LGF spend (c) Warm Homes Fund – delivery of CHS	(a) 1,000 homes improved £3.2m (b) 524 (c) Within 10% of target		in partnership with local authorities

DELIVERY DIRECTORATE			
Indicator	Target	Measure	Notes
(d) Warm Homes Fund spend of £1.2m			
<p>Growing Places Fund Loans</p> <p>(a) No. projects reaching Activity 5</p> <p>(b) No. new homes enabled</p> <p>(c) No jobs enabled inc. apprenticeships</p> <p>(d) Commercial floor space enabled (sqm)</p> <p>(e) £5.5m grant / loan</p> <p>(f) Leverage £10.7m</p>	<p>(a) 4</p> <p>(b) 200</p> <p>(c) 250</p> <p>(d) 16,250</p> <p>(e) Within 10% of target</p> <p>(f) Within 10% of target</p>	Bi-annual monitoring	<p><b>Assumptions</b> – fund continues after GPF review. (LEP Board has yet to consider this.)</p> <p>Projects are an estimate only as projects can be rejected at any stage due to findings of feasibility and assurance/legal and financial due diligence.</p> <p>Projects speculated: 3 in current pipeline and 1 new unknown.</p>
<p>EZ Programme</p> <p>(a) Commence delivery of projects on site Leeds EZ and 2 sites in Phase 2 EZ</p> <p>(b) Spend £4.5m Leeds EZ and £2.8m Phase 2</p>	<p>(a) 3 [tbc]</p> <p>(b) 7.3m</p>	Quarterly	<p>As the programme has only received OBC the detailed project plans are to be developed – costs for next year are currently under review</p> <p>(a) Indicative list – Gain Lain or Clifton; Linley Moor</p>
Effective use of resources (staffing) through workforce planning	Performance targets on track and achieved	Quarterly	NB Weight of resources between transport and non-transport teams reflects the current nature of work undertaken (ie significant direct

**DELIVERY DIRECTORATE**

Indicator	Target	Measure	Notes
			delivery involvement amongst Transport Projects & SCIP team, & district resources within Transport Partnerships team) and scale of funding directed towards transport infrastructure.

**Economic Services Directorate:**

*\* Draft target subject to successful funding bids/budget negotiations. Degree of stretch also to be finalised*

**ECONOMIC SERVICES DIRECTORATE**

Indicator	Target	Measure	Notes
<b>BUSINESS SUPPORT</b>			
Number of businesses that want to grow receiving support	2750*	Monthly	Increase on 17/18 All targets below in partnership with local authorities
Intensive support to growth businesses	900*	Monthly	Not including businesses receiving capital grants
Jobs created in businesses receiving intensive support (including capital grants)	500	Monthly	Reduced grant pot compared to 17/18
Investment in capital growth projects	£5m	Monthly	Reduced grant pot compared to 17/18
Average cost per job in businesses receiving capital investment	£12,500	Monthly	subject to ongoing discussions regarding grant criteria – and

ECONOMIC SERVICES DIRECTORATE			
Indicator	Target	Measure	Notes
			hence impact on transaction costs.
Businesses supported to undertake innovation activity in-house or with an external organisation	70	Monthly	Mostly through Access Innovation
Business supported to reduce costs on energy, water and waste	80	Monthly	All through REF
Businesses supported to implement strategic growth plans for high growth	100	Monthly	All through SBG
Businesses accessing multiple support products to help them grow	700*	Monthly	Increase on 17/18
Pop-Up Business Advice events delivered across the city region	12*	Monthly	12 in the year but not one a month –
Pop-Up Business Advice events delivered in more disadvantaged parts of the city region	6-8*	Monthly	4 out of the 12 overall in 17/18
New (business) members recruited to the Travel Plan Network	80	Monthly	On target to reach 60 in 17/18
Proportion of businesses in receipt of intensive support achieving growth (GVA, turnover, employment)	75%*	Annual	Increase on 17/18, some growth will be delivered in 19/20 for support accessed in 18/19.
Proportion of businesses supported by Growth Service likely to recommend it	85%*	Annual	Slight increase on last year – need to take the ‘no to grant’ factor into account

ECONOMIC SERVICES DIRECTORATE			
Indicator	Target	Measure	Notes
<b>EMPLOYMENT &amp; SKILLS</b>			
Deliver an enhanced model of employability, enterprise & careers education to disadvantaged students	12,000 tbc	quarterly	Measure same as 17/18 with increased target EC action plans CEC contracts
Refresh and monitor delivery agreements with 7 FE colleges, to deliver skills outcomes which support our economic priorities and inclusive growth ambitions	7	6 monthly	KPI modified to ensure clear linkage to policy objectives
Number of businesses influenced to engage with education, apprenticeships and sector skills initiatives  (NB businesses who have not been engaged previously)	40 150* – if additional funding gained	quarterly	New KPI for 18/19 – impact is that more employers engage with Employment & Skills and therefore support our objectives. EAs recruited Businesses providing sponsorship Apprenticeships [re]boot
Number of people reached with information on careers linked to labour market information, thus promoting better informed choices – focused on inclusive growth	10,000	quarterly	Measure changed for 18/19 – impact is that the groups below will have detailed understanding of labour market and can therefore make informed choices. Young people Parents Teachers Providers Employers intermediaries

<b>ECONOMIC SERVICES DIRECTORATE</b>			
<b>Indicator</b>	<b>Target</b>	<b>Measure</b>	<b>Notes</b>
Number of individuals supported to upskill in skills shortage areas (delivered in partnership) – focused on inclusive growth	1250*	Quarterly	Target increased from 17/18 [re]boot Apprenticeships Employment brokerage Skills service
Number of businesses supported to offer apprenticeships	1000* – if additional funding gained	Monthly	Measure same as 17/18, however subject to new funding being secured
<b>TRADE &amp; INVESTMENT</b>			
New Enquiries generated	100*	monthly	These will be generated via increased marketing, awareness & our sustained lead generation campaign.
No of bespoke enquiry responses issued	60*	monthly	The continuation of bespoke and commercially aware enquiry responses
Inward Investor meetings	180*	monthly	Increased from 123 this year. A measure as to how engaged we are with the enquiries on our pipeline
Inward Investor visits hosted	40*	monthly	Progression of projects from sales mode to delivery mode
New Jobs Created	1500*	annual	Increased by 50% based upon the existing strength of the enquiry pipeline

<b>ECONOMIC SERVICES DIRECTORATE</b>			
<b>Indicator</b>	<b>Target</b>	<b>Measure</b>	<b>Notes</b>
Inward Investment Projects to LCR	40*	annual	Effectively doubled (despite BREXIT) based upon the expectation that a Key Account Management (KAM) function will be established within the team
Number of Investor Development meetings	240*	monthly	A measure of how well the KAM team is engaging with their portfolio of clients (subject to KAM funding)
New projects identified from ID visits	48*	monthly	The effectiveness of the KAM team (as above).
Jobs Safeguarded	500 tbc	annual	
Private sector investment leveraged (£m)	£20m	annual	Based upon a more direct involvement in influencing and promoting infrastructure schemes
Export enquiries to growth service	150	annual	Increased by 50% - further targeted initiatives should start driving more interest to the growth service
Export referrals via LEP services	200	annual	Increased – as teams becoming more experienced in cross selling as we move onwards.
No. of new export initiatives with existing exporters from key sectors	5	annual	Based on a concentrated effort to merge trade and inward investment activities.

<b>ECONOMIC SERVICES DIRECTORATE</b>			
<b>Indicator</b>	<b>Target</b>	<b>Measure</b>	<b>Notes</b>
No. of new initiatives in markets with under-explored potential	5	annual	Based on our ability to identify partners in overseas under explored markets – this is predominantly a value related performance measure
No of new businesses inspired to export via our trade initiatives	100	annual	Our trade campaigns should be aiming to encourage new exporters – a major challenge.
No of existing exporters inspired to increase exports via our trade initiatives	30	annual	Our trade campaigns should be encouraging existing exporters to sell into new markets
Number of additional active exporters (total)	120 tbc pending DIT data	annual	Continuity from 17/18

**Transport Services Directorate:**

<b>TRANSPORT SERVICES DIRECTORATE</b>			
<b>Indicator</b>	<b>Target</b>	<b>Measure</b>	<b>Notes</b>
Produce Retail and Smart ticketing strategy	July 2018	One off	
Produce Information Strategy	July 2018	One off	
Produce Asset Management Strategy	July 2018	One off	
Design and produce a new blueprint for Travel Centre	July 2018	One off	

Deliver trial for use on mobile ticketing platforms for Mcard	July 2018	One off	
Meet requirements of WYTCL SLA		Monthly	
Bus patronage across West Yorkshire	Overall target 25% increase in the region over 10 years tbc	Annual	This target is subject to further discussions with district partners and bus operators who will have a key role in delivering against this
Leeds bus patronage	Overall target 100% over 10 years tbc	Annual	As above With Leeds Council
Increase MCard sales by 3%	£tbc	Monthly	
% of MCard ticket sales visa self-service/Travel centre alternatives	75%	Monthly	
Proportion of information interactions/enquiries that are on line	98%	Monthly	
% of concessionary permits online	70%	Monthly	
Cost per mile tendered service	£1.60	Annual	Down from £1.85 in 17/18
Cost per Accessbus passenger journey	£5.50	Annual	Down from (tbc) in 17/18
Income generation from property rental	10% increase tbc	Annual	
Cost per on street asset	£46.00	Annual	New measure – aim to drive lower cost while maintaining quality to customers.



**RESOURCES DIRECTORATE**

Indicator	Target	Measure	Notes
<ul style="list-style-type: none"> <li>○ Set up Project and commence implementation</li> </ul> <p>Embedding the new Finance OD:</p> <ul style="list-style-type: none"> <li>○ Improved financial information to Directorates and cost savings / income generation</li> </ul> <p>Finance Process improvements (though linked to System and new OD):</p> <ul style="list-style-type: none"> <li>○ Process improvements – capture efficiencies created (cashable / non cashable).</li> </ul>	<p align="center">tbc*</p> <p align="center">tbc*</p> <p align="center">tbc*</p> <p align="center">tbc*</p>		
<p><b>Procurement:</b></p> <p>No. of successful legal challenges on procurement</p> <p>Delivery of saving initiatives</p> <p>Procurement savings as a % of addressable spend (5 to 10% TBC)</p> <p>Procurement return on investment the savings return (should be between 5 and 10 times the cost of the team).</p>	<p align="center">0</p> <p align="center">5</p> <p align="center">tbc*</p> <p align="center">tbc*</p>	<p align="center">Ongoing</p> <p align="center">Ongoing</p>	<p>Potential procurement indicators currently in development as part of the implementation of the Procurement Strategy</p> <p>Work continuing on measure around audits of procurements and contract letting.</p>

RESOURCES DIRECTORATE			
Indicator	Target	Measure	Notes
Project Delivery - ensuring delivery of the pipeline of projects	tbc*		
Timeliness of delivery -either based on RAG status or by adhering to government guidelines on how long procurements should take.	tbc*		
<b>Human Resources:</b>			
Average absence (as % of workforce)	2%	Monthly	average for public sector currently 2.9%
% Increase in women in management roles (grades D-K)	tbc*	Quarterly	
% increase of BAME across organisation	tbc*	Quarterly	
% saving on staff costs	5%*	Quarterly	
Delivery of People Strategy	tbc*	tbc	
Launch of and training in application of new policies	tbc*	tbc	
Increase in number of apprentices	tbc*	tbc	Apprenticeship recruitment expected to be higher than 17/18.
<b>ICT Services</b>			
- Real-Time, Younextbus: Vehicles Being Tracked	78%	Monthly	The percentage of all operators scheduled journeys ending in West Yorkshire which are tracked at 25% or more stops.
	99%	Monthly	
- Core Network Up Time	99%	Monthly	
- Microsoft Cloud availability	98%	Quarterly	
- CoSA availability	100 or less	Monthly	
- Service Desk open tickets		Monthly	

**RESOURCES DIRECTORATE**

Indicator	Target	Measure	Notes
<ul style="list-style-type: none"> <li>- Resource systems critical tickets</li> <li>- Website (external and internal) availability</li> <li>- [additional metrics to be confirmed]</li> </ul> <p>Procurement and implementation of projects within the Corporate Technology Strategy</p>	<p align="center">Zero</p> <p align="center">100%</p> <p align="center">tbc*</p> <p align="center">tbc*</p>	<p align="center">Monthly</p> <p align="center">tbc</p>	
<p><b>Internal Audit</b></p> <p>Provide advice/assurance on the development and operation of business processes, risk management and governance arrangements.</p> <p>Provide an independent opinion on the effectiveness of the Combined Authority's control, risk management and governance arrangements</p> <p>Identify improvements to the delivery of IA services through the provision of audit client feedback questionnaires.</p>	<p align="center">X% of audit programme tbc*</p> <p align="center">Completion of audit assignments on time</p> <p align="center">80% positive response*</p>	<p align="center">Quarterly</p> <p align="center">Annually</p> <p align="center">Quarterly</p>	<p>Reported annually to LTB and Governance &amp; Audit Committee. Statements support notes to statutory published financial accounts, AGS.</p>
<p><b>Legal and Governance</b></p> <p>Meeting FOI/EIR deadlines</p> <p>Compliance with statutory requirements re committee agenda publication</p>	<p align="center">100%</p> <p align="center">100%</p>	<p align="center">Quarterly</p> <p align="center">Quarterly</p>	

**RESOURCES DIRECTORATE**

<b>Indicator</b>	<b>Target</b>	<b>Measure</b>	<b>Notes</b>
Toolkits for self-service across a minimum of 2 legal areas to be produced	tbc*	tbc	
Information governance improvements/GDPR compliance	tbc*	tbc	
Monitoring late committee reports	tbc*	tbc	

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**West Yorkshire Combined Authority - Summary 2017/18**

Title	Original Budget	Actual	Original Forecast	91.7%	Desktop Forecast	Variance to Original
	2017/18	Feb 2018	2017/18	% Actual to Original Forecast	(based on Feb 2018 actuals)	Forecast
	£	£	£		£	£
<b>Expenditure</b>						
Salary & Pay Related Costs	16,392,961	15,771,489	18,336,263	86.0%	17,220,000	(1,116,263)
Indirect Employee Related Costs	485,481	829,959	800,634	103.7%	870,000	69,366
Premises Related Costs	6,344,277	4,866,047	6,217,693	78.3%	6,217,693	0
Travel, Transport & Subsistence Related Costs	92,650	112,334	125,380	89.6%	125,380	0
Member Related Costs	153,168	138,206	153,168	90.2%	153,168	0
Office Supplies & Services	682,585	639,447	822,556	77.7%	770,000	(52,556)
ICT & Telephony Costs	2,401,884	2,279,070	2,461,451	92.6%	2,461,451	0
Professional & Consultancy Fees	642,935	1,001,425	1,131,676	88.5%	1,131,676	0
Corporate Subscriptions	25,364	109,739	21,597	508.1%	21,597	0
Marketing & PR Costs	922,200	977,494	1,331,598	73.4%	1,331,598	0
Insurance	303,400	254,576	263,880	96.5%	263,880	0
Operator Payments (Transport)	26,924,000	26,503,611	27,832,000	95.2%	27,832,000	0
Pre Paid Ticket Cost	29,580,000	29,617,740	31,000,000	95.5%	31,000,000	0
Concessions	55,994,000	50,569,568	55,755,478	90.7%	55,755,478	(0)
Additional Pension Costs	2,495,292	2,093,578	2,241,300	93.4%	2,261,000	19,700
Financing Charges	5,256,000	1,545,685	5,618,000	27.5%	5,598,000	(20,000)
Grants	5,572,560	2,789,086	6,315,156	44.2%	6,315,156	(0)
Other Miscellaneous Costs	385,400	513,086	458,037	112.0%	458,037	(0)
Admin Recharges	(1,842,070)	(1,852,947)	(2,073,267)	89.4%	(2,073,267)	0
Contribution to External / Related Parties	258,699	268,949	263,076	102.2%	268,949	5,873
Capitalisation of Revenue Costs	(484,242)	(1,281,674)	(4,312,169)	29.7%	(4,020,000)	292,169
Additional Savings Target	(220,000)	0	0	0.0%	0	0
Contingency	1,319,360	0	0	0.0%	0	0
<b>Total Expenditure</b>	<b>153,685,904</b>	<b>137,746,466</b>	<b>154,763,507</b>	<b>89.0%</b>	<b>153,961,796</b>	<b>(801,711)</b>
<b>Income</b>						
Rail Income	(904,000)	(636,698)	(918,000)	69.4%	(918,000)	0
LEP General Funding Income	(1,233,875)	(614,426)	(1,234,000)	49.8%	(1,234,000)	0
LEP Grant Income	(8,469,577)	(592,096)	(7,561,478)	7.8%	(7,561,478)	(0)
Growing Places Fund Interest	(179,000)	0	(300,000)	0.0%	(300,000)	0
Enterprise Zone Receipts	(669,000)	99,891	(712,000)	-14.0%	(712,000)	0
Transport Levy	(95,198,000)	(90,396,753)	(95,198,000)	95.0%	(95,198,000)	0
BSOG	(1,942,000)	(2,063,592)	(1,942,000)	106.3%	(2,063,592)	(121,592)
Education Contribution to Transport	(6,747,000)	(4,790,259)	(6,709,000)	71.4%	(6,709,000)	0
Bus Station Tenant Income	(1,343,624)	(1,361,451)	(1,398,794)	97.3%	(1,398,794)	0
Bus Station / Services - Other Income	(2,824,939)	(2,096,379)	(2,728,957)	76.8%	(2,728,957)	(0)
Pre Paid Ticket Income	(29,580,000)	(28,960,837)	(31,000,000)	93.4%	(31,000,000)	0
Other Income	(1,072,813)	(3,592,980)	(1,586,526)	226.5%	(1,586,526)	(0)
<b>Total Income</b>	<b>(150,163,828)</b>	<b>(135,005,580)</b>	<b>(151,288,754)</b>	<b>89.2%</b>	<b>(151,410,347)</b>	<b>(121,593)</b>
<b>Net Expenditure</b>	<b>3,522,076</b>	<b>2,740,886</b>	<b>3,474,753</b>	<b>78.9%</b>	<b>2,551,449</b>	<b>(923,304)</b>

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**Report to:** West Yorkshire Combined Authority

**Date:** 5 April 2018

**Subject:** **Devolution**

**Director:** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** James Flanagan

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

## 1 Purpose of this report

- 1.1 To update the Combined Authority on progress towards securing devolution to Leeds City Region.

## 2 Information

- 2.1 The Combined Authority considered a report of the Director of Policy, Strategy & Communications in February 2017 which provided an update on the progress made in securing a second stage devolution deal for Leeds City Region, which was seeking to build on the first stage deal agreed with the Government in Spring 2015.
- 2.2 The Combined Authority had noted that a formal response to the Leeds City Region devolution proposal submitted by in September 2015 had not been received from Government. Members expressed a collective desire to secure a devolution deal and discussed the ongoing challenges, recognising that other options, based on a larger geography, should also be explored.

- 2.3 Yorkshire's Council leaders began meeting regularly in spring 2017 to progress a range of issues in common, including options to unlock devolution across the region.
- 2.4 As a result of these meetings, 18 of the 20 Yorkshire Council leaders formed a coalition under the 'One Yorkshire' banner seeking the widest possible Yorkshire geography covering at least the administrative areas of: Barnsley, Bradford, Calderdale, Craven, Doncaster, East Riding, Hambleton, Harrogate, Hull, Kirklees, Leeds, North Yorkshire, Richmondshire, Scarborough, Selby, Ryedale, Wakefield, and York.
- 2.5 In response to requests made by the coalition's Leaders to the Secretary of State for Housing, Communities and Local Government for a meeting to discuss their devolution proposals, the Secretary of State agreed to meet Leaders, MPs and other stakeholders at the February 2018 meeting of the Yorkshire and Northern Lincolnshire All Party Parliamentary Group.
- 2.6 The Leaders welcomed the Secretary of State's confirmation at the meeting that the Government would not seek to prevent a proposal based on a One Yorkshire Mayor and Combined Authority from taking effect in 2020, providing it satisfied the various statutory requirements and had widespread support. This would include the ability for any of the South Yorkshire authorities to join a One Yorkshire deal from the start.
- 2.7 The Secretary of State requested detailed proposals and Leaders confirmed that, given the level of agreement achieved across Yorkshire, these could be submitted to the government rapidly.
- 2.8 Following an offer made by the Secretary of State in February to consider detailed proposals for a 'One Yorkshire' deal, Leaders met on 5<sup>th</sup> March and agreed to submit their devolution proposition to Government and publish it more widely in the interests of transparency. The submitted technical deal proposal is included for information in **Appendix 1**.
- 2.9 The proposal is to secure a deal for the widest possible Yorkshire geography by 2020, including Leeds City Region, with a directly elected Yorkshire Mayor and Combined Authority (with cross party Overview and Scrutiny Arrangements), having the ambition of securing a broad range of devolved powers and funding, in ways that do not create net additional cost and bureaucracy.
- 2.10 The deal proposes powers and funding aimed at raising living standards for everyone in the Region, closing the UK jobs gap by delivering 200,000 jobs, boosting productivity via an extra £12bn of economic growth, and moving towards becoming a net contributor to the public purse.
- 2.11 Leaders have submitted the proposal as a basis for initiating negotiation with Government, recognising that further work will be ongoing to: identify any specific place based investment Asks; develop and agree detailed governance arrangements for the operation of the Yorkshire Combined Authority (including

voting arrangements and representation); demonstrating the economic case for a Yorkshire deal, and preparing a public facing version of the deal which explains the proposals and benefits in plain English.

### **3 Financial Implications**

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

### **4 Legal Implications**

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

### **5 Staffing Implications**

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

### **6 External Consultees**

6.1 No external consultations have been undertaken.

### **7 Recommendations**

7.1 The Combined Authority is requested to note the progress and endorse the next steps in paragraph 2.11.

### **8 Background Documents**

None.

### **9 Appendices**

Appendix 1 – Yorkshire Devolution Agreement Submission

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## Yorkshire Devolution Agreement Submission

### **Yorkshire Devolution - An historic opportunity for the whole country**

This document sets out the proposed terms of an agreement between 18 Yorkshire council leaders / representatives and Government.<sup>1</sup>

The delivery of this devolution agreement is central to Yorkshire's collective drive to unleash the full economic potential of a region with an established international brand, an economy twice the size of Wales and a population the same as Scotland.

At its heart is a desire to accelerate the pace of rebalancing prosperity, to play a central role in a confident outward looking UK economy and embrace the opportunities of the digital age and to do so through self-reliance, self-help and self-sufficiency.

The plan to create a single mayoral combined authority for Yorkshire by May 2020 addresses the requirement for these ambitions to be delivered through clear accountable arrangements which avoid duplication and additional costly and burdensome bureaucracy. However, more profoundly, it does so based on the strong, shared, internationally-recognised Yorkshire identity and brand.

Public support for mayoral arrangements to align with an existing identity which complements - rather than competes - with their powerful allegiance to village, town or city, is clear. This proposal will establish a Yorkshire mayor with the capacity to be a powerful symbol of common endeavour within the region and as an ambassador for it nationally and internationally.

This document sets out proposals which reflect and address the diverse needs of a region which spans major cities and national parks, agriculture, coastline and industry, history and innovation by placing powers where they will have maximum impact while retaining the overarching benefits of regional coherence and co-operation.

Covering such a large population and functional economy, this proposed agreement offers the scale to make it a central pillar of the national drive to tackling fundamental weaknesses in the UK economy, notably the productivity challenge and the geographic imbalance in wealth and opportunity.

We seek to address these imbalances in a way which supports the ambitions of other parts of the UK. A Yorkshire enjoying devolved powers and budgets will be a strong partner, offering complementary strengths to those of our partners in the devolved nations, South, Midlands and London while adding fresh momentum towards achieving the ambitions we have set out with our Northern Powerhouse neighbours.

This agreement represents a major acceleration of our work transforming the Yorkshire economy; building on longstanding strengths in areas including energy, financial services,

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<sup>1</sup> Deal to be based on the widest possible Yorkshire geography conditional on Government enabling all 20 Yorkshire Councils to join - if they so choose - by May 2020. This submission to Government has been agreed by 18 of the 20 Yorkshire Council Leaders and Representatives (Barnsley, Bradford, Calderdale, Craven, Doncaster, East Riding, Hambleton, Harrogate, Hull, Kirklees, Leeds, North Yorkshire, Richmondshire, Scarborough, Selby, Ryedale, and Wakefield, and York). Should Sheffield and Rotherham choose to not join the deal, it is recognised that arrangements may need to be made to ensure the integration of transport across South Yorkshire.

agriculture and tourism and supporting exciting growth sectors including health innovation, logistics and advanced manufacturing. The digital revolution and embracing the opportunities it brings is the golden thread which connects our vision.

The prolonged absence of a devolution agreement for Yorkshire would not only deprive our communities of opportunities open to other parts of the country but would also be a major obstacle to achieving national growth ambitions at a pivotal moment for the UK economy. The Northern Powerhouse will remain incomplete until a thriving Yorkshire enjoying devolved powers and budgets is at its heart.

The determination from this region to overcome previous obstacles to securing an agreement bringing benefits to our communities, our region and the country is evident. This proposal is the culmination of political and geographic collaboration across Yorkshire at a scale and with a degree of consensus unprecedented in recent times.

It represents a clear, ambitious, deliverable roadmap to faster growth, improved living standards for our communities and a significant contribution to the UK's economic ambitions.

Submitting these proposal to government is an important first step. It is however recognised that realising our collective ambition will require a further number of steps:

- undertaking a statutory review which evidences the strong intuitive case that a new Yorkshire CA would improve the exercise of statutory functions and cover a functional economic area
- local formal consent is forthcoming from councils and Combined Authorities, and
- ensuring that broadly-based local support is demonstrated , including via support from MPs and Peers and other stakeholders and through statutory public consultation and involvement using different methods.

## Principles and Impact

This deal is built on the following guiding principles:

- **Ambition** – securing a broad range of powers and funding devolved to a Combined Authority covering the widest possible Yorkshire geography and overseen by a new directly elected Mayor to represent the people of Yorkshire by May 2020, in order to ensure that the benefits of devolution are fully realised across the region.
- **Self-determination** and self-help for the region – ensuring Yorkshire can confidently shape its own Industrial Strategy and economic future post-Brexit.
- **Subsidiarity** – ie the presumption of devolving powers to the lowest practical level, whether district or neighbourhood level, sub regional or regional. This is principally about powers coming down from Whitehall but we will work together where it makes sense, eg current CA powers, and where this does not serve to create a costly new regional tier of bureaucracy.
- **Investment, including devolved funding, delivered across the region**, including our rural, coastal and urban areas, ensuring that everyone in Yorkshire is able to benefit from devolution.
- **Streamlined and robust governance** arrangements which create no additional cost burden on the tax payer and comprise the following key elements:
  - **A directly elected Yorkshire Mayor with a clear economic leadership remit**, including skills, business and trade and investment;

- **A Yorkshire Combined Authority (CA)** based on consensus and having a shared vision and focus on economic, social and environmental challenges including strategic transport, place making/ regeneration, and public service transformation; and
- **Flexible sub regional arrangements** 'lifting and shifting' into the new CA, and building on, existing collaborative arrangements across Yorkshire's (overlapping and linked) functional economic area.

Yorkshire's future lies in a new post-Brexit era of global economic opportunity with an ambition that businesses grow and become more productive, leading to a better quality of life. This agreement will enable the people of Yorkshire to begin to fulfil this ambition and benefit from the following opportunities:

- Becoming a significant player in an outward-looking, competitive and prosperous UK
- Co-producing with government a Yorkshire Industrial Strategy to provide a compelling basis for government and business investment and drive to the Northern Powerhouse
- Rebalancing the economy (north / south and east / west) by increasing local and net national earning power
- This prosperity will be shared across society, with the benefits spreading to all.

Furthermore this deal package, comprising a revenue gainshare Investment Fund, Housing Investment Fund, new initiatives and new devolved fiscal powers, would enable accelerated stimulus investment in infrastructure, regeneration and growth across our urban, rural and coastal areas which in turn delivers the following outcomes for Yorkshire as a key driver of a successful Northern Powerhouse<sup>2</sup>:

- **Raised living standards for everyone**, based on well-targeted interventions delivering balanced and inclusive growth across the region's urban, rural and coastal areas
- **Closing of the UK jobs gap** - by delivering 200k jobs
- **Boosted productivity** -
  - an extra £12bn of economic growth
  - significantly narrowing the productivity gap, and
- Step towards becoming a **net contributor to the public purse**

The proposals to devolve the significant powers to Yorkshire contained in this deal are driven by the priorities set out in Yorkshire's 4 Local Enterprise Partnership (LEP) led Strategic Economic Plans (SEPs), and going forward will be embodied in a shared Yorkshire Industrial Strategy which will build on the SEPs as the local road map to transform the Region from an overall recipient of government funding to one that delivers extraordinary growth and makes its full contribution to national wealth, creating jobs and prosperity for all local residents and businesses.

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<sup>2</sup> Source: West Yorkshire Combined Authority Regional Economic intelligence Unit

Yorkshire is unique, with an innovative, thriving and diverse economy built on a rich industrial, cultural and sporting heritage. The Yorkshire brand is globally recognised; it has a thriving and growing economy worth over £112 billion per year, home to over 5 million residents (half the Northern Powerhouse population), 419,000 businesses and over 2.5 million jobs.

Yorkshire can be characterised in terms of its unique identity, international reach, industrial sectors, and nationally significant economic assets:

The Power Brand and Identity	<ul style="list-style-type: none"> <li>• Coastal, rural, towns, and cities</li> <li>• 5m+ people central to an international region – connected to London, Edinburgh, Dublin &amp; Rotterdam</li> <li>• Industrial Strategy/Northern Powerhouse and UK economic policy/productivity contributor</li> </ul>
Economic assets and International Reach	<ul style="list-style-type: none"> <li>• Producer economy; Traded knowledge; HE - R&amp;D and Innovation; Traded services; Visitor Economy; Creative and cultural excellence; International food and drink</li> <li>• Connected by: air (via two international airports); sea (via Humber Ports); rail via ECML and in the future HS2 and Northern Powerhouse Rail; and Road, at the heart of the Strategic Road Network</li> </ul>
Competitive Advantage – Our key sectors & Enablers	<ul style="list-style-type: none"> <li>• Advanced Manufacturing; Digital; Energy; Health Innovation/Life Sciences; Agri-tech; Food and drink</li> <li>• Higher Education; Logistics; Professional Services</li> </ul>
Rebalancing the Economy	Building on our sector strengths; Economic weight of a £112bn economy; Innovation & R&D; Human Capital; Clean Growth; and Connecting all our working age people to good jobs (inclusive growth)

This agreement will deliver transformational outcomes by enabling the region to tackle its economic, environmental and social challenges. The agreement includes powers to support adult skills provision and co-design employment support, and the ability to create a joined up approach with a focus on connecting the people of Yorkshire to job opportunities, including through a single Yorkshire smart travel ticket<sup>3</sup>.

<sup>3</sup> recognizing this is an aspiration consistent with TfN proposals for a wider Northern smart ticket, and is subject to local affordability and addressing any fare harmonization issues

The deal would enable Yorkshire Combined Authority to create an Investment Fund of more than £3.75bn through a 30 year gainshare revenue stream and locally raised finance. An incoming Yorkshire Mayor would have the option, subject to primary legislation, and on the basis of support from local business, to raise a business rates supplement.

This deal would deliver for Yorkshire game changing levels of capital investment in infrastructure, including in regeneration and transport, from devolved funding and fiscal powers, along with supporting additional borrowing powers for non-transport investment, and revenue support for skills and business support interventions, and greater control over the transport system to enable the region to maximise the potential of HS2 and Northern Powerhouse Rail. We believe that a deal of this kind offers the potential to transform productivity in the region, narrowing the growing gap with the UK minus London average, and thereby boosting the earnings power of the people and businesses of Yorkshire.

This agreement is the first step in a process of further devolution. The government will continue to work with Yorkshire on important areas of public service and fiscal reform to enable the people of Yorkshire to reach their full potential.

The agreement is based on the establishment of a Yorkshire Mayor by May 2020 working as part of a Yorkshire CA with a cabinet of council leaders. Given the importance of existing collaboration across the 4 LEP geographies<sup>4</sup>, which are important economic geographies in their own right, the agreement recognises the wider partnership with business through the LEPs and with neighbouring councils (eg South Bank councils).

The devolution proposals and all levels of funding contained in this agreement are subject to local political leaders consulting their local communities and businesses on the proposals and local and combined authority ratification. This agreement is also subject to parliamentary approval of the secondary legislation needed to implement the provisions of this agreement, including establishing the Yorkshire CA and devolving powers and funding to a Combined Authority and directly elected Mayor for Yorkshire.

### **Summary of the Devolution Deal to be agreed by the Government and Yorkshire Combined Authority Shadow Board, and supported by the 4 Yorkshire LEPs**

A new directly elected Mayor for Yorkshire will provide highly visible and democratically accountable economic leadership in terms of driving investment and growth through Yorkshire's Industrial Strategy. The Mayor will review existing LEP structures (geographies, membership and appointing LEP chairs) to ensure these important business led partnerships remain fit for purpose. In addition, the Mayor will Chair Yorkshire Combined Authority and receive the following powers devolved from central Government:

- Devolved 19+ adult skills funding from 2020 to shape local skills provision to respond to local needs
- A Yorkshire Growth Hub to have responsibility for devolved and integrated business support, including DIT export support
- Multi-year consolidated transport budget

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<sup>4</sup> The 4 Yorkshire LEPs cover the following (overlapping) geographies: Leeds City Region; York, North Yorkshire and East Riding; Humber; and Sheffield City Region

- Responsibility for franchised bus services in all (or part) of the region, in line with the Bus Services Act 2017, to secure access to 'fare box' revenues, and for integrating simple smart ticketing across all local modes of transport
- Subject to the necessary primary legislation, power to levy and retain a Supplementary Business Rate in all or part of the region, up to a cap, to provide financing of major strategic infrastructure which will drive growth<sup>5</sup>
- Devolved powers to bring forward strategic sites and assets to promote place making, including the creation of Mayoral Development Corporations, and enhanced Compulsory Purchase powers, supported by the creation of a Yorkshire Land Commission which will be chaired by the Mayor, enabling eg a formal partnering relationship with MOD in relation to surplus assets at Catterick Garrison

The Combined Authority, working with the Mayor, will receive the following devolved funding streams and powers

- Control of a new £125m a year gainshare revenue Investment Fund allocation of up to £3.75 billion over 30 years to be invested in driving growth across the rural, urban and coastal areas of the Region
- Promoting urban, rural and coastal regeneration through control of a new £500m devolved Housing Investment Fund
- 100% Business Rate Retention pilot<sup>6</sup>
- Enterprise Zone / Tax Increment Financing status for major developments at locally determined growth areas and around principal transport hubs
- Powers and devolved funding to drive the improvement of careers & enterprise in education, and inspiration around STEM choices
- Devolved DWP national programmes and budgets targeted at addressing unemployment, in work poverty and health barriers to work
- Devolved budgets for employer-led skills investment, to allow joined up skills brokerage service to help more employers offer Apprenticeships.
- Borrowing powers to enable investment in economically productive infrastructure to deliver growth, subject to a cap to be agreed with HM Treasury
- Flexibility to establish a Single Pot combining funding streams to provide maximum flexibility to deliver local priorities

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<sup>5</sup> Government has proposed a new Mayoral CA power to raise a supplementary business rate to enable investment in infrastructure. It is envisaged that this would be exercisable in Yorkshire in line with the London model which does not seek to deter enterprise, and therefore the Mayor has set a rateable value threshold which in effect excludes micro businesses.

<sup>6</sup> To encourage local growth and on the basis of safeguards to ensure no detriment compared with existing arrangements

- Broad powers to acquire and dispose of land to enable more houses to be built<sup>7</sup>, commercial space and infrastructure, for growth and regeneration
- A non-statutory Yorkshire strategic infrastructure investment framework

## **Governance**

1. This agreement proposes the establishment of a Combined Authority for Yorkshire with the first elections of a Yorkshire Mayor to be held in May 2020. Yorkshire councils and LEPs have already taken the following bold steps, including securing effective and accountable sub regional governance arrangements, in return for receiving from Whitehall new devolved powers and funding:
  - West Yorkshire Combined Authority and Sheffield City Region Combined Authority were established as conditions of the 2012 Leeds and Sheffield City Deals which conferred new devolved powers and funding to those areas;
  - Yorkshire's four Local Enterprise Partnerships (LEPs) are in receipt of £1.8bn<sup>8</sup> devolved through ground breaking Growth Deals;
  - 18 Yorkshire authorities have agreed to deepen their collaboration by creating a Yorkshire Combined Authority Shadow Board, building on existing collaborative arrangements including the Yorkshire Leaders Board; and
  - 18 Yorkshire Councils have agreed that they should be free to join a new Yorkshire CA in order to enable the people of Yorkshire to elect a Mayor by 2020
2. The proposal contained in this agreement for a new Yorkshire Combined Authority is subject to final formal consent of a Yorkshire Combined Authority Shadow Board, the constituent councils, existing combined authorities, agreement of ministers, and necessary orders.
3. The strength of the governance arrangements of the CA will be commensurate with the powers and funding devolved to that authority and the mayor, recognising that strong, accountable governance is an essential prerequisite of any devolution of the new powers and functions contained in this agreement.
  - The new Mayor will be elected by - and will be personally accountable to - the local government electors for the areas of the constituent councils of the Combined Authority.
  - The Mayor will provide overall economic leadership and chair Combined Authority meetings.
  - The Mayor would also hold ultimate responsibility for franchised bus services across all or part of the Combined Authority area<sup>9</sup>, and for integrating smart ticketing across all forms of transport. The Mayor would also be able to levy a supplement on business rates<sup>10</sup> in all or part of the region in order to finance

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<sup>7</sup> Agreement of Housing numbers would remain an expressly local matter.

<sup>8</sup> The following funds have been awarded to Yorkshire's four LEPs over three Growth Deal rounds: Leeds City Region (£694.9m plus an additional £420m gainshare); York, NY and ER (£145.8m); Sheffield City Region (£365m); and Hull and Humber (£141m)

<sup>9</sup> by virtue of the Bus Services Act 2017

<sup>10</sup> in line with Government's proposals and subject to primary legislation

investments in infrastructure. The Mayor would be able to exercise these functions autonomously. The allocation of portfolio responsibilities for the Cabinet would be at the Mayor's discretion.

- The Mayor, supported by a CA Cabinet of leaders, will produce - with LEPs and others - a local industrial strategy for Yorkshire, based upon the existing SEPs, and with a focus on opportunities around Brexit and mitigating risks. The Strategy will set out a programme for accelerated delivery of the aims of the national strategy through maximising the competitive advantages of Yorkshire, bringing together social and economic ambitions to achieve inclusive growth. This agreement is a central to providing Yorkshire with the devolved powers and funding needed to deliver the Industrial Strategy.
  - The local authorities covering the widest possible Yorkshire geography, represented by their leaders, will form the constituent membership of the Combined Authority.
  - Leaders will form a decision making Cabinet to be overseen by the Mayor, where leaders have a clear portfolio of responsibilities, including fulfilling any deputy Mayor roles.
  - In recognition of the importance of the LEP role and the private sector in growth strategies and their delivery, the 4 Yorkshire LEPs will be represented, without voting rights on the Combined Authority by their Chairs. Trade Unions and the two National Parks will also be represented on a non-voting basis.
  - The Mayor and Cabinet will be supported by flexible sub regional Area Committees which recognise the functional economic linked and overlapping geographies and will undertake any functions appropriately delegated to these committees consistent with the principle of subsidiarity, including transport functions which will be exercised on behalf of the Mayor and Cabinet for the areas of all or part of South Yorkshire and of West Yorkshire. Transport powers exercisable by the Combined Authority for other parts of Yorkshire will be delegated back from the CA to the existing individual Local Transport Authorities. Overall the strategic integration of transport, and other, infrastructure will be co-ordinated via the Mayor's Industrial Strategy.
  - These new arrangements, which will build on existing strong and effective sub regional structures, will help to ensure that the Combined Authority does not create a financially and administratively burdensome additional tier of bureaucracy which it will fall on the people of Yorkshire to pay for. It is therefore intended that the operation of the Yorkshire CA shall not of itself result in any increase in the cost of delivery of the functions ascribed to it over and above the current costs associated with the delivery of those functions by the existing constituent councils, Combined Authorities and Whitehall departments.
  - The Mayor and the Cabinet will be required to be scrutinised and held to account by the Combined Authority's non directly elected Overview and Scrutiny Committee and will comprise membership of cross-party members drawn from the constituent councils and other co-opted members.
4. There is no intention to take existing powers from local authorities, including transport powers, without agreement and the agreement will protect the integrity of local authorities in Yorkshire. Neighbouring councils may be non-constituent members of the

Combined Authority<sup>11</sup>. The Combined Authority may exercise functions in relation to its area and may invest outside the constituent members of the Combined Authority if that investment is to the benefit of the Combined Authority.

5. The Yorkshire Mayor and Combined Authority will receive additional devolved powers and funding for infrastructure and certain parts of public service transformation, specifically on transport, business support, rural, coastal and urban regeneration, skills, and the co-design and funding of employment support as set out in this agreement.
6. The Mayor will be required to consult the Cabinet on Mayoral strategies, including the Yorkshire Industrial Strategy, and the Mayor's budget, either of which the Cabinet may reject if two-thirds of its voting members present agree to do so.
7. On proposals for decision requiring a vote of the Combined Authority, the Cabinet members and the Mayor would each have one vote and policy would be agreed by a majority vote, except agreeing the CA's annual budget which will require a higher threshold of majority of voting members present.
8. In the transition period, i.e. before the new Yorkshire Combined Authority can be formed and the Mayor is elected in May 2020, as part of the statutory governance review, various options will be explored for establishing the Yorkshire CA (including dissolving one or both existing combined authorities). A Yorkshire Shadow Combined Authority would by May 2019 receive funding and responsibilities including the revenue gainshare Investment Fund revenue and Housing Investment funding payments, subject to readiness conditions eg the making of orders.
9. Economic growth is a shared endeavour and is vital in delivering the Northern Powerhouse ambitions. The Mayor, Combined Authority and LEPs will continue to work very closely with the government for the benefit of the public.
10. Yorkshire Combined Authority and the LEPs commit to working with partners across the North of England to promote opportunities for pan-Northern collaboration, including Transport for the North, to drive productivity and build the Northern Powerhouse.
11. This Deal represents a first step in a progressive process of devolution of funding, powers and responsibilities to Yorkshire Combined Authority and a directly elected Mayor for Yorkshire. As well as the funding and powers set out in this deal, Yorkshire Combined Authority working with its constituent authorities and Government will continue to consider further opportunities for devolution, including the following:
  - Devolving responsibility for managing the proposed Shared Prosperity Fund
  - A regional approach to rural investment including in relation to the replacement for the CAP following withdrawal from the EU
  - Positioning Yorkshire at the forefront of next generation transport. This will include government's ongoing support for HS2 growth strategy delivery, Northern Powerhouse Rail, wider connectivity master planning, zero emission transport, and piloting new approaches, including to: smart cities and towns; smart motorways; and connected communities in rural areas

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<sup>11</sup> e.g., South Bank authorities

- An MoU with Highways England with regards to traffic management and emergency management on the M62 and M1 and to include A1m, M18 and A63
- Devolved ownership of identified local rail stations, with associated maintenance and improvement budgets
- A pilot to implement big data sharing agreements across key partners and utilities to support strategic planning
- Responsibility for budgets, including DCMS/BDUK, to deliver ultrafast broadband connectivity and further develop the market
- Exploring devolved energy funding and related powers eg to set planning standards for sustainable design and construction and including clean energy and ULEV
- Exploring responsibility for flood defence capital investment eg to support advanced environmental resilience/sustainability measures (eg Living with Water) for port cities
- Co-design of sector deal pilots for the following sectors:
  - Social Care
  - Rural and Farming
  - Tourism, Heritage, Sport, Arts and Culture, including a formal strategic partnership with Visit Britain around maximising the tourism potential of Yorkshire
- Driving further Public Sector Transformation, including:
  - exploring the opportunities for a devolved and coordinated multi-agency approach to improving the life chances for all our children and young people;
  - Exploring the control of Further Education capital and revenue budgets (including 16-18 funding);
  - early years foundation stage, including the first 1000 days;
  - Integration of Health and Social Care; and
  - collaborating and learning related to blue light services/first responders and the regional role around resilience and mutual aid.



**MINUTES OF THE MEETING OF THE  
OVERVIEW AND SCRUTINY COMMITTEE  
HELD ON THURSDAY, 4 JANUARY 2018 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Robert Light (Chair)	Kirklees Council
Councillor Stephen Baines MBE	Calderdale Council
Councillor James Baker	Calderdale Council
Councillor Jenny Brooks	City of York Council
Councillor Andrew Cooper	Kirklees Council
Councillor Ian Cuthbertson	City of York Council
Councillor Michael Ellis	Bradford Council
Councillor Kim Groves	Leeds City Council
Councillor Peter Harrand	Leeds City Council
Councillor Graham Isherwood	Wakefield Council
Councillor Margaret Isherwood	Wakefield Council
Councillor Paul Kane	Kirklees Council
Councillor Rosie Watson	Bradford Council

**In attendance:**

Ben Still	WYCA
Angela Taylor	WYCA
Sue Cooke	WYCA
Ruth Chaplin	WYCA

**22. Apologies for Absence**

Apologies for absence were received from Councillors S Crisp, P Davey, D Foster and B Rhodes.

**23. Declarations of Interest**

Councillor Ellis declared an other interest (not comprising a Disclosable Pecuniary Interest) as a member of the Yorkshire Regional Flood and Coastal Committee.

Councillor Baines advised that he had resigned from his position on the ESIF Sub-Committee.

**24. Exclusion of the Press and Public**

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

**25. Minutes of the Meeting held on 15 November 2017**

**Resolved:** That the minutes of the meeting held on 15 November 2017 be approved and signed by the Chair.

**26. Business Planning and Budget 2018/19**

The Committee considered a report which advised of the work underway to progress business and budget planning for 2018/19.

Members discussed the report which had been considered at the WYCA meeting held on 14 December 2017 and set out the latest position regarding business planning and the medium term financial strategy and the successes of the past year. The report also set out a draft budget proposal for 2018/19 and consideration was given to the draft three year position on the revenue budget which was attached at Appendix 3 and the initial capital programme figures for the next two years at Appendix 4.

The following comments were made:

- Further information including an indication of expenditure by authority was requested.
- It was suggested that a detailed breakdown of the budget and savings against each area and full impact assessments on changes was needed. It was agreed a budget of this type would be presented for forthcoming 2018/19 budget options for public transport.

In respect of LEP expenditure, it was noted that the budget was set by WYCA as the accountable body and there was no separate expenditure decision making by the LEP; but that 'LEP expenditure' by funding stream might be useful.

It was noted that the final budget report was being prepared for the WYCA meeting on 1 February 2018 based on the figures in the submitted report. Members were advised that further detail on the specific savings plans and any income generation opportunities would be included together with a detailed reserves policy and treasury management statement.

A further report would be prepared for the meeting of Overview & Scrutiny Committee to be held on 23 March 2018 and members would be able to consider the final budget with impact assessments where required and a more detailed breakdown of spend.

**Resolved:** That the work underway on business planning and budgets be noted.

## 27. Update and Review of New Governance Arrangements

The Committee considered a report which provided an update on:

- The implementation of the new governance arrangements approved at WYCA's annual meeting, of effect from 1 September 2017.
- Proposed new constitutional arrangements for the LCR LEP (Leeds City Region Local Enterprise Partnership) and a review of the arrangements in terms of their impact on transparency and accountability.

WYCA's Managing Director provided members with an update on the implementation of the new governance arrangements for WYCA and the LEP which had been implemented in September 2017. This had streamlined the decision making process and the positive changes and their impact on transparency and accountability were welcomed. Members discussed the governance arrangements and were provided with the opportunity to ask questions. Further discussion and comments were made on the following, especially in light of recent media interest in the LEP and WYCA:

- The process for requesting information (eg. Freedom of Information enquiries) and publishing details of WYCA's Monitoring Officer on the website.
- Continued engagement with members in all District Councils especially on the new governance arrangements, and actions of the LEP and WYCA.
- The benefits and importance of attending MIPIM conferences and the opportunity to feature images of all districts in future promotional material.
- Investment in, and delivery agreements with colleges.
- The importance of investing in staff.
- Budgets, the challenges faced and the disparities in local government funding.

It was reported that the findings of the Ney report, which was a review of national LEP governance and transparency arranged by the Department for Communities and Local Government (DCLG), were published in October 2017. The Committee was aware of recent media reports regarding WYCA and the LCR LEP. They were advised that the Ney recommendations had resulted in an increased focus on governance and transparency during the 2017 Annual Conversation held on 29 November 2017 between WYCA, the LCR LEP and DCLG where positive feedback had been received on the improvements made to date.

The Committee was advised that the LCR LEP Board would be considering revised constitutional documents at their meeting on 16 January 2018 which will reflect the Ney recommendations and also update existing documentation. These would include LCR LEP Board Procedure Rules, Members' Code of Conduct and an allowances and expenses scheme. The LCR LEP Board will also consider an updated local assurance framework which will reflect governance changes.

In noting that all the Panels were subject to the access to information statutory provisions, it was agreed that the Committee would receive copies of all future agendas.

Members thanked officers for the comprehensive update and addressing the media issues. The importance of the city region agenda over many years was noted by the Chair. Members recognised the complexities of streamlining the former Integrated Transport Authority, Local Enterprise Partnership and Metro into one organisation to create an effective structure and welcomed the work undertaken to date.

**Resolved:**

- (i) That the update on the implementation of the new governance arrangements approved at WYCA's annual meeting, of effect from 1 September 2017 be noted.
- (ii) That the proposed new constitutional arrangements for the LCR LEP (Leeds City Region Local Enterprise Partnership), to be considered by the LEP Board on 16 January 2018, in particular in terms of their impact on transparency and accountability, be noted.

**MINUTES OF THE MEETING OF THE LAND AND ASSETS PANEL  
HELD ON FRIDAY, 5 JANUARY 2018 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, LEEDS**

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**Present:**

Councillor Tim Swift (Chair)  
Councillor Susan Hinchcliffe  
Amir Hussein  
Councillor Denise Jeffrey  
Andrew Latchmore  
Councillor Peter McBride  
Rob Pearson

Calderdale Council  
Bradford Council  
Yeme Architects  
Wakefield Council  
Shulmans  
Kirklees Council  
Homes and Communities Agency

**In attendance:**

Naz Parkar  
Ben Still  
Judith Furlonger  
Rob Hignett  
Khaled Berroum

Kirklees Council  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority

**1. Apologies for Absence**

Apologies for absence were received from Roger Marsh and Sharon Squires.

**2. Declaration of disclosable pecuniary interests**

None were declared.

**3. Exempt information - Exclusion of the press and public**

There were no exclusions of the press and public at the meeting.

**4. Minutes of the meeting of the Land and Assets Panel held on 13 October 2017**

**Resolved:** That the minutes of the Land and Assets Panel held on 13 October 2017 be approved.

**5. HCA Update on Funding and Role**

The Panel was given a verbal update by the Homes and Communities Agency (HCA) on its funding and role as the transition to 'Homes England' reaches the final stage.

Assessment for Housing Infrastructure Fund (HIF) bids is expected to be completed and announced by the end of January 2018. Priority is being given to the earliest deliverable bids which can be sufficiently progressed by March 2018. Projects are categorised three ways: those which (1) can be delivered soonest, (2) need more due diligence and (3) are not ready at this time.

The Agency's main focus is to reach the government's target of 300,000 homes a year from the current figure of 217,000 and to ensure that public land is used well.

Greater improvement is needed to reach affordable homes target. The HCA has adopted a flexible method to better determine where to affect outcomes, for instance, lowering land value to help housing associations buy land to make development more viable.

The HCA is seeking to market its support, services and funding streams more widely to connect with more big developers who have the resources and capacity to deliver large projects.

Members raised concerns that the 300,000 target is too ambitious without more funding and powers such as 'rescinding' planning permission, and that the new proposed methodology calculating Objectively Assessed Need gives more favourable numbers to the south than the north. There is some concern in the private sector that lower targets will lower investor confidence which will lower deliverability outcomes.

The Panel was informed that the new methodology to calculate Objectively Assessed Need is still in consultation and the government is due to respond. Members were advised to gain the confidence of policymakers with a clear, ambitious message about work being done to reach the target, to counter the historical focus on southern regions where numerical targets are easier to satisfy, in addition to proposing what further targets could be achieved if they had particular infrastructure, funds, and planning powers.

Members raised examples of developers citing 'unexpected' viability issues as a means of leverage to avoid affordable home agreements after planning permission had already been granted. The Panel discussed possible solutions including adopting wider use of Planning Performance Agreements where viability, design and affordable housing are discussed and agreed early in the planning process.

**Resolved:**

- (i) That the update be noted.

- (ii) That a written report from the Homes and Communities Agency be a standing item at future meetings.

## **6. One Public Estate (OPE) Group Update – Phase 6**

The Panel was presented with a report updating them on Phase 6 of the One Public Estate (OPE) Group. Since the report was written, it is understood that West Yorkshire Combined Authority has been allocated £160,000, but specific details are not yet known. Bids to the Land Release Fund are still being evaluated and it was confirmed that they had not yet reached the HCA for assessment at this time.

**Resolved:** That the details of the Phase 6 funding submission from the partnership and the interim announcement from One Public Estate be noted.

## **7. Leeds City Region Redundant Mills – Feasibility and Investment Framework**

The Panel was presented with a report on the commission to undertake a feasibility and investment framework for underused and redundant mills in West Yorkshire. It was emphasised that the project was initially envisioned as a scoping report only. If any additional resource is required, further assessments and recommendations would need to be made to the Combined Authority.

Members noted that the report should be seen as an early stage in a wider project to inform a more targeted approach to seek solutions to bring redundant mill buildings back into use. The Panel asked that officers bring a draft prioritisation criteria to the next Panel meeting along with the final report, and three proposed delivery / intervention models to the meeting after that after feedback.

**Resolved:**

- (i) That the contents of the report and initial actions for consideration detailed in paragraph 2.6, in light of the resource implications, be noted.
- (ii) That the final report be tabled at the next Land and Assets Panel on 20 April 2018.
- (iii) That a draft prioritisation criteria be submitted for discussion to the next Land and Assets Panel on 20 April 2018.
- (iv) That three proposed delivery / intervention models be submitted for discussion at a future Land and Assets Panel meeting.

## **8. Business Planning & Budget 2018/19**

The Panel was presented with a report advising them of the work underway on business planning and budgeting for 2018/19 and the key elements for the draft three year financial strategy.

The Panel noted that there was only one mention of housing throughout the document and this lack of prominence does not take into account how housing has recently risen as a political and national priority. Members advised that the Combined Authority must express more clearly how infrastructure projects and economic regeneration affects and unlocks housing, for instance, areas within walking distance of transport hubs. Recalling earlier discussion around the need for local authorities to clearly signify and prove to the government that housing is a deliverable priority, members suggested a greater strategic, narrative discipline on this point should be a priority.

Members also noted that there was little distinction made between LEP and Combined Authority funding sources and expenditure, despite there being more than one LEP covering the Leeds City Region geography, and that the public wanted more clarity. It was clarified that although there is a geographical element to some revenue and expenditure, as an example, the Transport Levy raised from West Yorkshire authorities can only be spent in those districts. Members advised that this geographical distinction should be made clearer in the documents and budget reports.

**Resolved:**

- (i) That the work underway on the medium term financial strategy, business planning and budget for 2018/19 be noted.
- (ii) That Panel's feedback and comments be noted.

**9. Any Other Business**

Uniform spatial planning system

It was reported that the private sector is keen to see a more consistent, uniform approach to spatial planning and systems across districts. Members were informed that although there are joint projects around geographical data, sharing good practise and mutual consultation on local plans, there are no plans for a formal uniform system at a regional level at this time.

Offsite Manufacturing

Members asked about offsite manufacturing and whether the Panel can expect to discuss it in the future. It was reported that offsite manufacturing is largely coming from Manchester and members suggested this sector could be a part of the local economy, instead of importing. Members were informed that officers may consider Leeds City Region based offsite manufacturing offers in the future.

### Malaysian and Chinese Investors

It was reported that there has been an increase in interest from Chinese and Malaysian investors in the regional economy and there is opportunity to reform processes to attract more investment from Asia.

### Planning Delivery Fund submission

The Planning Delivery Fund was announced on 4 December 2017 and the deadline for Expressions of Interest (EOI) is 11 January 2018. The Combined Authority intends to submit a potential bid for around £500,000 to the Planning Delivery Fund, focusing on joint working, design quality, and innovation.

Due to the short turnaround, the proposed process for the bid is that a bid will be put together in coordination with the Land and Assets Panel Chair (Cllr Tim Swift, Calderdale) and the Chief Executive Lead on Housing and Regeneration (Jacqui Gedman, Kirklees), before approval by the Combined Authority Managing Director, Ben Still.

**Resolved:** That the proposed process for a bid to the Planning Delivery Fund be endorsed.

10. **Date of next meeting – 20 April 2018, Committee Room A, Wellington House, Leeds**

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**MINUTES OF THE MEETING OF THE TRANSPORT COMMITTEE  
HELD ON FRIDAY, 12 JANUARY 2018 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Keith Wakefield OBE (Chair)	Leeds City Council
Councillor Eric Firth (Vice-Chair)	Kirklees Council
Councillor Martyn Bolt	Kirklees Council
Councillor Neil Buckley	Leeds City Council
Councillor Peter Caffrey	Calderdale Council
Councillor David Dagger	Wakefield Council
Councillor Manisha Kaushik	Kirklees
Councillor Hassan Khan	Bradford Council
Councillor Nussrat Mohammed	Bradford Council
Councillor Andrew Pinnock	Kirklees Council
Councillor Rebecca Poulsen	Bradford Council
Councillor Taj Salam	Bradford Council
Councillor Daniel Sutherland	Calderdale Council
Councillor Kevin Swift	Wakefield Council
Councillor Christine Towler	Leeds City Council
Ian Cherry	Nexus Vehicle Management

**In attendance:**

Councillor Peter McBride	Kirklees Council
Kieran Dunkin	Network Rail (to minute 44 only)
Joe Cookson	Network Rail (to minute 44 only)
Dave Pearson	West Yorkshire Combined Authority
Liz Hunter	West Yorkshire Combined Authority
James Reed	West Yorkshire Combined Authority
Janette Woodcock	West Yorkshire Combined Authority

**38. Apologies for absence**

Apologies for absence were received from Councillor Michael Lyons, Councillor Tim Swift and Councillor Ian Gillis.

**39. Declarations of disclosable pecuniary interests**

There were no disclosable pecuniary interests declared by members at the meeting.

#### **40. Exclusion of the Press and Public**

**Resolved:** That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of the appendix to Agenda Item 8 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and that in all the circumstances of the case, the public interest in maintaining the exemption at this time outweighs the public interest in disclosing the information.

#### **41. Minutes of the meeting of the Transport Committee held on 17 November 2017**

Further to minute 36, CityConnect (CCAG) Programme Update, Councillor Sutherland raised concerns about the Rochdale Canal cycle scheme and identified the current challenges facing travel in the Todmorden area. Members were advised that WYCA and Calderdale officers are working together to identify alternative sources of funding for the Rochdale Canal Phase 2 project including options to deploy Growth Fund. WYCA's Investment Committee had considered a range of potential Growth Fund projects earlier in the month and the Rochdale Canal cycle scheme was included.

**Resolved:** That the minutes of the Transport Committee held on 17 November 2017 be approved and signed by the Chair.

#### **42. Chair's Comments**

Councillor Wakefield welcomed Josie McHugh to the meeting as it was her last day and she was due to retire after 44 years' service. Councillor Wakefield, along with Committee members, thanked Josie for all the hard work and commitment she had given to members and her colleagues over the years and wished her a long and happy retirement.

#### **43. Network Rail**

Representatives from Network Rail, Jo Cookson, Public Affairs Manager and Kieran Dunkin, Principal Programme Sponsor, attended the meeting to provide a presentation on current and committed investment being made in the Calder Valley rail line. Members were provided with details of a programme of investment, the Great North Rail Project (GNRP), aimed at improving train travel for customers in the North which would result in an increase in the number of trains running each day, more seats, faster journey times and improved reliability

The presentation included the following:

- West Yorkshire Signalling Upgrade
- Bradford Interchange Improvements
- Hebden Bridge Station Improvements

- Further work at Hebden Bridge
- Platform Extensions
- Journey Time improvements
- Northern Rail's new fleet

The presentation was followed by a question and answer session; Network Rail undertook to respond in writing to some of the questions.

**Resolved:**

- (i) That Network Rail's representatives be thanked for their presentation and update.
- (ii) That Network Rail representatives be invited to a future meeting to answer further questions and update on the progress of TRU (Trans Pennine Route Upgrade which is currently under review by the Department of Transport.

**44. 2018/19 Revenue Budget Implications for Service Delivery**

The Committee considered a report updating it on 2018/19 Revenue Budget Implications for Service Delivery.

It was reported that on 14 December 2018, WYCA had considered its three year Budget Strategy and Business Plan in advance of its formal approval on 1 February 2018. The Committee were provided with an update on progress to date with the budget and the process under which the Committee will have oversight of the activities required to adjust spending on Transport Services.

Members were informed of work underway to develop a new policy for the provision of transport services to support mobility, It was proposed to bring a report to the Transport Committee in May 2018 setting out a policy and programme.

A number of initiatives were currently being looked at to promote bus travel by young people within current budgetary provision which would result in changes to the Authority's Concessionary Travel Scheme and would be presented to the Committee for review at a future date in 2018/19.

Proposals were in place to change the way in which WYCA provides travel information and supports the sale of transport and tickets and passes which would also meet changing customer expectations and result in cost savings to the Authority. The West Yorkshire Bus Information Strategy would be updated to reflect the revised service provision and funding arrangements for consideration by the Committee later in 2018.

The report also provided members with the opportunity to review and comment on the draft 2018/19 Business Plans for each Directorate in the Authority.

**Resolved:**

- (i) That the work underway on the medium term financial strategy and budget for 2018/19 which will be presented for approval to WYCA on 1 February 2018 be noted and endorsed.
- (ii) That the contents of the draft WYCA Business Plan which will be presented for approval to WYCA on 1 February 2018 be noted and endorsed.
- (iii) That a report be brought to the meeting scheduled for 25 May 2018 setting out a policy and programme for the provision of transport services to support mobility.
- (iv) That changes to the Authority's Concessionary Travel Scheme to encourage travel by young people at no greater cost to the Authority be presented for review at a future meeting of the Committee.
- (v) That the West Yorkshire Bus Information Strategy is reviewed to meet changing customer expectations at a lower cost to the Authority and a revised draft is presented to the Committee for adoption later in 2018

**45. Leeds Clean Air Zone Proposal**

The Committee was provided with an overview of the proposed 'Class B' Clean Air Zone for Leeds.

It was reported that in July 2017 the Department for Environment, Farming and Rural Affairs (DEFRA) published the National Air Quality Plan which requires 28 Local authorities that are forecast to exceed statutory Nitrogen Dioxide (NO<sub>2</sub>) emission limits by 2020 to produce action plans detailing how they will ensure NO<sub>2</sub> compliance within the shortest possible time. Within Yorkshire, Leeds City Council is the only named local authority required to act.

Having been provided with an overview of the proposals for the Leeds Clean Air Zone, members discussed the proposals in detail. The Committee acknowledged the benefits that clean air has on improving public health and creating quality places for people who live and work in the Leeds City Region and in attracting investment. The Combined Authority's continued investment in programmes which support air quality improvement was welcomed along with the ongoing work with businesses and transport operators to improve vehicle emissions for the benefit of all West Yorkshire residents.

**Resolved:**

- (l) That the publication of the proposed Leeds Clean Air Zone be noted.

- (ii) That the Combined Authority's support for and collaborative working with Leeds City Council during the development and implementation of the proposed Clean Air Zone be endorsed.
- (iii) That the Combined Authority's continued investment in programmes that support air quality improvement and the ongoing work with businesses and transport operators to improve vehicles and fleets for the benefit of all West Yorkshire residents and businesses through improved public health and cleaner air be supported.

#### **46. City Region Transport Update**

The Transport Committee was provided with an update on current issues which included:

- Transport for the North
- West Yorkshire Key Route Network
- DfT Consultation on Proposals for the Creation of a Major Road Network
- DfT Consultation on Shaping the Future of England's Strategic Roads
- Trans Pennine Route Upgrade Update
- Northern Powerhouse Rail
- Consultation on methodology for allocating fixed costs to train operators in Control Period 6 (CP6)
- Connecting people: A strategic vision for rail / intercity East Coast franchise
- Future of Community Rail Strategy Consultation
- Bus Service Act Update
- Young People's Bus Travel Initiatives
- Transforming Cities Fund
- Rail Fare Increases
- MCard Prices
- North of England Transport Awards

**Resolved:** That the updates be noted

#### **47. HS2 Growth Strategy**

The Committee considered as a private paper an update report on the Leeds City Region HS2 Growth Strategy seeking endorsement for its publication and start of engagement.

**Resolved:**

- (i) That the progress on the Leeds City Region HS2 Growth Strategy be noted and the draft be endorsed for publication and engagement.
- (ii) That the principles for taking forward the inclusive Growth Corridors as detailed in paragraph 2.11 of the submitted report be endorsed.

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**MINUTES OF THE MEETING OF THE  
OVERVIEW AND SCRUTINY COMMITTEE  
HELD ON WEDNESDAY, 24 JANUARY 2018 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Robert Light (Chair)	Kirklees Council
Councillor Stephen Baines MBE	Calderdale Council
Councillor James Baker	Calderdale Council
Councillor Jenny Brooks	City of York Council
Councillor Andrew Cooper	Kirklees Council
Councillor Ian Cuthbertson	City of York Council
Councillor Michael Ellis	Bradford Council
Councillor Dot Foster	Calderdale Council
Councillor Kim Groves	Leeds City Council
Councillor Peter Harrand	Leeds City Council
Councillor Graham Isherwood	Wakefield Council
Councillor Margaret Isherwood	Wakefield Council
Councillor Fozia Shaheen	Bradford Council
Councillor Rosie Watson	Bradford Council

**In attendance:**

Councillor Keith Wakefield OBE	Chair, WYCA Transport Committee (minute 34 only)
Angela Taylor	West Yorkshire Combined Authority
Sue Cooke	West Yorkshire Combined Authority (to minute 34 only)
Dave Pearson	West Yorkshire Combined Authority (minute 34 only)
Dave Haskins	West Yorkshire Combined Authority
Lorna Holroyd	West Yorkshire Combined Authority (to minute 34 only)
Rachel Jones	West Yorkshire Combined Authority (minute 35 only)
James Flanagan	West Yorkshire Combined Authority (minute 36 only)
Ruth Chaplin	West Yorkshire Combined Authority

## **28. Apologies for Absence**

Apologies for absence were received from Councillors P Davey and B Rhodes.

## **29. Declarations of Interest**

Councillor Ellis declared an other interest (not comprising a Disclosable Pecuniary Interest) as a member of the Yorkshire Regional Flood and Coastal Committee.

## **30. Exclusion of the Press and Public**

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

## **31. Minutes of the Meeting held on 4 January 2018**

Further to minute 27, Update and Review of New Governance Arrangements, Councillor Baker asked that the following points be added:

- The need to ensure members are aware of any delegated decisions taken and in this regard, further information was requested in respect of the Cycle City Ambition Grant programme and the resurfacing of the canal tow path between Hebden Bridge and Todmorden.
- The arrangements for remuneration of LEP Board Chairs was discussed and members were advised that a revised suite of governance documents, including members' allowances, was to be considered by the LEP Board on 16 January 2018. The LEP Board would also be considering the MIPIM 2018 programme.
- The need for inclusive growth to be considered in all projects was stressed.

**Resolved:** That, subject to the amendments above, the minutes of the meeting held on 4 January 2018 be approved and signed by the Chair.

## **32. Oxford GB2 Loan Working Group Report**

Councillor Groves asked if it would be possible to defer consideration of this item until information included in an email sent the previous day had been taken into account. The email had been sent by Leeds City Council's Chief Executive to WYCA's Managing Director and the Leeds members of the Committee.

In considering Councillor Grove's request, members expressed their concern that the email had not been sent to the Chair of the Overview & Scrutiny Committee or all members of the task and finish working group in advance of the meeting. Following a discussion the consensus was that the agenda item should be considered and that the working group convene at the end of the meeting which would provide an opportunity for them to read the email and amend the report to WYCA if necessary.

The Committee considered the report on the findings of the task and finish working group on the loan to Oxford GB2. It was noted that the review had now been completed and members discussed the summary of key findings and the proposed recommendations to be made to WYCA for improvements to processes and systems. It was recognised that significant, robust measures had already been introduced to improve processes and decision making and these provided rigour and challenge, supporting the Assurance Process now in place.

The Committee thanked the working group for their commitment to the task and to the WYCA officers who had supported the process.

**Resolved:** That the recommendations of the task and finish working group be provided to the next meeting of WYCA for consideration, subject to the members of the Working Group considering if any changes should be made in light of the email provided.

### **33. Economic Services - Business Grants**

The Committee considered a report which provided information relating to grant approvals made between 1 April 2015 and 30 November 2017 for programmes delivered by the Economic Services directorate.

It was noted that WYCA was one of a number of organisations providing grant support to businesses within the Leeds City Region. Members discussed the key areas of business currently being delivered and in development and details of the business grant programmes currently being delivered were outlined in the submitted report. An infographic of the current WYCA business support model was attached at Appendix 1 and additional information was also provided including at Appendix 5, a tracker for projects approved in 2015/16 for the Business Capital Expenditure Grants and for all approved Resource Efficiency Fund projects.

Members were given the opportunity to ask questions and, in welcoming the report and information provided, suggested that it would be helpful to have an overview on the procuring and awarding of contracts, outputs and outcomes. The need to measure increased productivity across the districts was also emphasised. It was agreed that further updates would be provided on a six monthly basis with a level of individual detail.

**Resolved:** That the report be noted and further updates be provided on a six monthly basis.

### **34. Transport Committee - Priorities & Spend**

The Committee was given a presentation which set out the background to WYCA's transport functions in respect of priorities and spend.

Councillor Keith Wakefield, Chair of WYCA Transport Committee attended the meeting and gave a presentation which provided members with an overview of the work of the Transport Committee over the last year. He

highlighted the current and future transport issues, priorities and challenges and members debated several topics including:

- The importance of Inclusive Growth - this would be considered as part of each project and included in every funding stream.
- Air quality - members were assured that the types of vehicles used outside clean air zones would be monitored.
- Maximising the benefits of HS2 for the City Region including jobs and the importance of sub-regional connectivity.
- The challenges of working with a reduced budget and how this will be communicated to the public.
- Delivering strategies.
- Young people - concessionary fares and improving flexibility with bus operators. Members stressed that buses must be punctual and reliable to encourage young people to use them.
- Rural services - their social value and importance for getting young people in remote areas to education and jobs.
- Engagement with the private hire community to promote/encourage tender bids, particularly for rural areas, was discussed.
- Working closely with planning departments and developers to ensure public transport/cycling needs are considered as part of any applications.
- The success of park and ride schemes was noted.
- Ticketing & information – reducing the cost of information by promoting self-service.
- Cycling – it was noted that although the current CityConnect funding stream was ending, work was ongoing with District Councils to maintain the impetus. Members stressed the preference for segregated cycle lanes where possible. For example, the importance of a cycle lane between Hebden Bridge and Todmorden on the canal towpath was highlighted and it was reported that funding options were being investigated.

**Resolved:** That Councillor Wakefield be thanked for attending the meeting and for the informative discussion.

### **35. Assurance Framework - Annual Review**

The Committee considered a report which provided an update on progress relating to changes proposed to the Leeds City Region Assurance Framework arising from its annual review, and with the recently issued review of Local Enterprise Partnership Governance & Transparency (October 2017).

It was noted that the LEP has secured Growth Deal funding and WYCA, as the accountable body, had to ensure there are robust, transparent and accountable processes in place to support the budgets and programmes for the LEP and WYCA.

The Assurance Framework has to be updated annually and published on the Local Enterprise Partnership's website. The Committee discussed the latest

draft which was attached at Appendix 1. The Overview & Scrutiny's SEP Delivery Working Group had discussed this at their recent meeting and offered a level of challenge to the approach taken and were content with the current progress. It was considered worthwhile for the Working Group to continue with its scrutiny to ensure it remains fit for purpose as this was a 'live' document.

It was noted that the changes to the LCR LEP's governance arrangements which were approved on 16 January 2018 had been reflected in the document. The draft Assurance Framework had been discussed at the recent LEP Board and would also be considered by the Governance & Audit Committee and WYCA at their forthcoming meetings. Members were asked to forward any comments on the draft document to Rachel Jones, WYCA's Programme Manager by mid-February.

**Resolved:**

- (i) That the reasons for revising the Leeds City Region Assurance Framework as set out in the submitted report be noted.
- (ii) That any feedback or comments on the draft document be provided by mid-February 2018.

**36. Forward Programme of Work**

The Committee considered the work programme for the coming year and agreed that the following items be included on the forward plan of work for 2018/19:

- Flood alleviation (follow up of actions from the report)
- Branding
- Transport for the North
- Economic Services – Business Growth – Update to be provided on a six monthly basis

It was noted that Devolution would remain a standing item on each agenda and that the programme could be supplemented by any further items as they were identified during the year.

The Committee also noted the forward agenda plan for WYCA which was attached at Appendix 1.

**Resolved:** That the work programme for future meetings be noted.

**37. Items for Feedback to WYCA**

It was noted that the Committee's report on the findings of the Working Group on the loan to Oxford GB2 and proposed recommendations would be considered by WYCA on 1 February 2018.

**38. Devolution**

The Committee was provided with an update on the latest position in respect of devolution discussions since the last meeting.

Members were advised that there was a strong consensus for a 'One Yorkshire' deal with 18 out of 20 Yorkshire Leaders in agreement. An all party parliamentary group meeting and a meeting of the Yorkshire Leaders Board had been held on 12 January 2018 in York at which the desire for a Yorkshire mayor by 2020 had been confirmed.

The Committee discussed the financial gains a deal would bring to the City Region and also the current status of the Sheffield City Region deal in respect of its legislative position and the proposals made to them by Government. It was noted that the mayoral election for the Sheffield City Region was due to be held in May 2018.

A meeting had been requested with the Secretary of State and it was hoped that this would be held towards the end of February 2018. A further update would be provided at the next meeting.

**Resolved:** That the update on devolution discussions be noted.

### **39. Items for Information**

There were no items for information.

**MINUTES OF THE MEETING OF THE  
GOVERNANCE AND AUDIT COMMITTEE  
HELD ON THURSDAY, 25 JANUARY 2018 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Roger Marsh OBE (Chair)  
Councillor Andrew Carter CBE  
Andy Clayton  
Councillor Imran Khan

Leeds City Region Enterprise Partnership  
Leeds City Council (from minute 29)  
Department for Work and Pensions  
Bradford Council

**In attendance:**

Mark Kirkham  
Angela Taylor  
Caroline Allen

Russell Gott  
Rachel Jones

Ruth Chaplin

Mazars Auditors  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority  
(minute 37 only)  
West Yorkshire Combined Authority  
West Yorkshire Combined Authority  
(minute 35 only)  
West Yorkshire Combined Authority

**25. Apologies for Absence**

Apologies for absence were received from Councillor S Hinchcliffe.

**26. Declarations of Disclosable Pecuniary Interests**

There were no pecuniary interests declared by members at the meeting.

**27. Exclusion of the Press and Public**

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

**28. Minutes of the Meeting of the Governance and Audit Committee held on 28 November 2017**

**Resolved:** That the minutes of the meeting held on 28 November 2017 be approved.

## 29. Internal Audit Strategy/Emerging Internal Audit Plan

The Committee considered a report which provided an update on the development of the Strategic Internal Audit Plan.

Members noted the approach and elements which had been taken into account during the development of the draft 3 year plan which was attached at Appendix 1. They welcomed the document which provided greater flexibility and was based on audit knowledge and a review of business planning to date. The resourcing of the Internal Audit section was discussed and the Committee asked that an analysis of the staffing requirements and options be undertaken.

It was proposed that the plan would be reviewed annually to consider changes in organisational risk and assurance requirements and the draft plan would be brought to the next meeting.

### **Resolved:**

- (i) That the change in approach to the development of a strategic audit plan be noted.
- (ii) That the emerging internal audit plan be brought to the next meeting of the Committee.
- (iii) That options for the future delivery of internal audit be explored.

## 30. Revised Internal Audit Plan 2017/18

The Committee considered a report on:

- The actions required to enable the delivery of the Internal Audit Plan for 2017/18.
- The resourcing requirements for the completion of the Internal Audit Plan 2017/18.

Members discussed the progress made to date in completing reviews within the Plan and the resourcing issues within the Internal Audit team. They expressed concern regarding the impact the level of resourcing could have on delivering the Plan and the Committee wished to ensure that the fullest possible level of assurance be provided for 2017/18. It was agreed that the Chair would formally notify WYCA's Chair and Managing Director of their wishes and therefore the need to increase resourcing.

**Resolved:** That the revisions to the Internal Audit Plan and the impact this will have on the level of assurance this provides in 2018/19 be noted.

## 31. Internal Audit Progress Report

The Committee considered a report on the work undertaken by the Internal Audit Section.

Members discussed the report and dashboard table attached at Appendix 1 and it was suggested that it would be helpful to link the dashboard with strategic risk. In respect of risk, Councillor Carter commented that WYCA should be mindful of the involvement of Carillion's involvement in the contract for the second phase of the City Cycle Ambition Grant.

The Committee noted the details of the activities undertaken by the Internal Audit Section in the period from 1 October 2017 to 31 December 2017. These provided information on the delivery of the 2017/18 Audit Plan, audit opinions on completed reviews, summaries of any significant issues identified and the status of high priority recommendations which have not been fully implemented.

**Resolved:** That the report be noted.

### **32. External Audit Report**

The Committee considered a report which set out information on external audit matters.

Members discussed the report which set out the proposals for audit fees for 2018/19 and were given the opportunity to ask questions and raise any issues with Mark Kirkham, from Mazars, who attended the meeting. It was noted that members had highlighted some concerns regarding the 23% fall in audit fees and they were assured that WYCA would receive the same level of service and that the quality of work would not deteriorate. It was suggested that it might be beneficial to arrange a workshop for members to provide a better understanding of the external audit environment and any key issues.

**Resolved:** That the update report from Mazars and the audit fee consultation be noted.

### **33. Internal Controls & Financial Monitoring**

The Committee considered a report which:

- Provided information on the operation of, and changes to, internal controls since the last meeting of the Committee.
- Provided information on the current financial position.

#### Internal Control Environment

It was noted that key controls within the Finance, Concessions and Integrated Ticketing teams were operating correctly and monthly reconciliations were up to date. Regular governance meetings continued to be held with Leeds City Council (LCC) who carry out many of the day to day operations under a Service Level Agreement. Members were advised that the indicator relating to proportion of fixed term debt remained out of tolerance due to high cash balances and low short term borrowing. However the reasons for this were understood and no corrective action was

required. Current prudential arrangements will be reconfirmed as part of the budget report to WYCA on 1 February 2018.

In respect of internal financial control, the Committee was made aware of a recent incident at Wellington House which was being investigated by the Police and members would be kept informed.

#### Financial Monitoring

It was noted that the budget and business planning for 2018/19 would be considered by WYCA on 1 February 2018 and regular reports together with the key performance indicators identified in the business plan and changes to risk will be brought to the Committee and WYCA.

**Resolved:** That the report be noted.

### **34. Business Planning & Budget 2018/19**

The Committee considered a report on the work underway to progress business and budget planning for 2018/19.

It was reported that a Budget Working Group had been established and original forecasts for both income and expenditure were further developed and refined. WYCA had considered a budget report on 14 December 2017 and a copy was attached at Appendix 1. The final budget report was to be considered by WYCA on 1 February 2018 using the figures in the attached appendix and further detail on the specific savings plans and any income generation opportunities. It would also provide further detail on the reserves policy, treasury management arrangements and three year capital programme.

In noting the report members asked that the schedule of meetings for 2018/19 allows sufficient time for the Committee to consider the proposed budget prior to submission to WYCA. Members were advised that regular reporting against the approved budget would be provided to the Committee and WYCA.

**Resolved:** That the position with regard to business planning and budgets be noted.

### **35. Assurance Framework - Annual Review**

The Committee considered a report which provided an update on progress relating to changes proposed to the Leeds City Region Assurance Framework arising from its annual review, and with the recently issued review of Local Enterprise Partnership Governance & Transparency (October 2017).

It was noted that the LEP has secured Growth Deal funding and WYCA, as the accountable body, had to ensure there are robust, transparent and accountable processes in place to support the budgets and programmes for the LEP and WYCA.

The Assurance Framework had to be updated annually and published on the Local Enterprise Partnership's website. The Committee discussed the latest draft which was attached at Appendix 1. They were advised that the Overview & Scrutiny Committee's SEP Delivery Working Group had discussed this at their recent meeting and offered a level of challenge to the approach taken and they were content with the current progress. Further scrutiny sessions would be arranged to ensure it remains fit for purpose as this was a 'live' document.

It was noted that the changes to the LCR LEP's governance arrangements which were approved on 16 January 2018 had been reflected in the document. The draft Assurance Framework had also been discussed by the LEP Board and Overview & Scrutiny Committee and was to be considered by WYCA on 1 February 2018.

Members discussed how the Assurance Process had been amended to capture and measure the benefits/outcomes of projects and it was suggested that the Committee consider some projects from the 2018/19 programme.

The Committee thanked officers for undertaking the comprehensive review of the Assurance Framework.

**Resolved:** That the Governance & Audit Committee note that the Leeds City Region Assurance Framework is being revised for the reasons set out in the submitted report.

### **36. Risk Register**

The Committee considered a report which provided an update on the work being undertaken to finalise the Corporate Risk Management Strategy and the current position in respect of Corporate Risk issues.

Members discussed the latest version of the corporate risk register which was attached at Appendix 1 and noted the work being done to review and enhance the existing risk management arrangements for WYCA. Whilst acknowledging that the register was an internal WYCA document, it was suggested that consideration should be given to extending it for strategic risks across all the districts with WYCA as the overarching body.

It was noted that a risk workshop was also being held for WYCA members on 1 February 2018. The risk register will be updated to reflect the outcome of this and as part of the business planning and would be brought to future meetings of the Committee.

**Resolved:** That the report and Corporate Risk Register be noted.

### **37. General Data Protection Regulation - Update**

The Committee considered a report which provided an update on the approach that WYCA has developed, to ensure compliance and readiness prior to the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018.

Members discussed the progress to date and requested an update with a guide to key changes, checklist of actions and RAG rating indicating progress be prepared for the next meeting in March and for WYCA in May.

#### **Resolved:**

- (i) That the approach that WYCA has developed, to ensure compliance and readiness prior to the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018 be noted.
- (ii) That a progress report be prepared for the next meeting of the Governance & Audit Committee and WYCA in May 2018

### **38. Forward Programme of Work**

The Committee considered the proposed work programme for the coming year and the following items would be added:

- Strategic Internal Audit Plan including an analysis of options for resourcing the Internal Audit section – 29 March 2018.
- General Data Protection Regulation Update – 29 March 2018.

It was noted that the programme was flexible and could be amended as necessary.

**Resolved:** That the work programme for 2018/19 be noted.