

LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD

MEETING TO BE HELD AT 2.00 PM ON WEDNESDAY, 23 JANUARY
2019 IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50
WELLINGTON STREET, LEEDS

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

In accordance with the requirements of the LEP Board Members' Code of Conduct, members have an obligation to review their register of interests before each meeting and to declare any interests.

If an interest has not been entered onto the LEP's register, then members must disclose the interest at any meeting at which they are present and where they have a disclosable interest in any matter being considered and where the matter is not a sensitive interest.

3. EXCLUSION OF THE PRESS AND PUBLIC

1. To highlight Appendices 1 and 2 to Agenda Item 8 which officers have identified as containing exempt information within the meaning of paragraph 3, Part 1 Section B of the Access to Information Annex to the LEP Board Procedure Rules, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.
2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out in paragraph 4.1 of Agenda Item 8.
3. If the recommendation is accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 Section B of the Access to Information Annex to the LEP Board Procedure Rules, the public be excluded from the meeting during consideration of Appendices 1 and 2 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 for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

4. MINUTES OF THE MEETING HELD ON 22 NOVEMBER 2018
(Pages 1 - 10)

5. PANEL AND COMMITTEE UPDATES

(a) BUSINESS COMMUNICATIONS GROUP

(Led by: Joanna Robinson)

(Pages 11 - 14)

(b) BUSINESS INNOVATION AND GROWTH PANEL

(Led by: Andrew Wright)

(Pages 15 - 24)

(c) EMPLOYMENT AND SKILLS PANEL

(Led by: Rashik Parmar)

(Pages 25 - 32)

(d) INCLUSIVE GROWTH & PUBLIC POLICY PANEL

(Led by: Cllr S Pandor)

(Pages 33 - 36)

(e) CAPITAL PROGRAMME UPDATE (INVESTMENT COMMITTEE)

(Led by: Cllr P Box)

(Pages 37 - 42)

For Decision

6. STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS

(Led by: Ben Still, Author: Jon Skinner/Liz Davenport/Julie Haigh)

(Pages 43 - 60)

7. PLANNING FOR GROWTH: THE LEEDS CITY REGION CONNECTIVITY STRATEGY

(Led by: Alan Reiss, Author: Tom Gifford)

(Pages 61 - 72)

8. ENTERPRISE ZONES

(Led by: Roger Marsh, Author: Kate Thompson)

(Pages 73 - 82)

For Discussion

9. LEEDS CITY REGION LOCAL ASSURANCE FRAMEWORK REVIEW

(Led by: Ben Still, Author: Rachel Jones)
(Pages 83 - 86)

10. PREPARING FOR BREXIT

(Led by: Patrick Bowes, Author: James Hopton)
(Pages 87 - 96)

For Information

11. LEP AND COMBINED AUTHORITY BUSINESS PLANNING & BUDGET 2019/20

(Led by: Cllr S Hinchcliffe, Author: Angela Taylor)
(Pages 97 - 166)

12. DATE OF NEXT MEETING

The next meeting will be held on 26 March 2019.

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**MINUTES OF THE MEETING OF THE
LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD
HELD ON THURSDAY, 22 NOVEMBER 2018 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Members of Board present:

Roger Marsh OBE (Chair)	Leeds City Region Enterprise Partnership
Professor Adam Beaumont	Aql
Professor Bob Cryan CBE	University of Huddersfield
Amir Hussain	Yeme Architects
Rashik Parmar MBE	IBM Academy of Technology
Joanna Robinson	Mansfield Pollard
Andrew Wright	Reliance Precision
Councillor Judith Blake CBE	Leeds City Council
Councillor Susan Hinchcliffe	Bradford Council
Councillor Shabir Pandor	Kirklees Council
Councillor Tim Swift MBE (Deputy Chair)	Calderdale Council
Councillor Andrew Waller	City of York Council

In attendance:

Professor Simon Pringle	Project Rome
Tom Riordan	Leeds City Council
Ben Still	LEP/West Yorkshire Combined Authority
Caroline Allen	LEP/West Yorkshire Combined Authority
Ruth Chaplin	LEP/West Yorkshire Combined Authority

Attending for specific items:

Mary Weastell	City of York Council
Angela Taylor	LEP/West Yorkshire Combined Authority
Sue Cooke	LEP/West Yorkshire Combined Authority
Alan Reiss	LEP/West Yorkshire Combined Authority
Dave Haskins	LEP/West Yorkshire Combined Authority
David Shepherd	LEP/West Yorkshire Combined Authority
Noel Collings	LEP/West Yorkshire Combined Authority
Sarah Bowes	LEP/West Yorkshire Combined Authority
Patrick Bowes	LEP/West Yorkshire Combined Authority

39. Apologies for Absence

Apologies for absence were received from Ian Cherry, Nic Greenan and Councillors Peter Box, Richard Cooper (and his substitute Graham Swift), Carl Les (and his substitute Andrew Lee).

40. Chair's Comments

The Chair thanked all partners across the City Region for their involvement and support in the development of the successful Channel 4 bid.

41. Declarations of Interest

In accordance with the requirements of the LEP Board Members' Code of Conduct, Members were reminded of their obligation to review their individual register of interests before each LEP Board meeting and to declare any interests.

42. Exclusion of the Press and Public

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

43. Minutes of the meeting held on 20 September 2018

Resolved: That Simon Pringle be added to the attendance and the minutes of the meeting held on 20 September 2018 be approved and signed by the Chair.

44. Panel and Committee Updates

The Panel, Committee and Group Chairs were thanked for their updates which were presented to the Board for information and, in discussing and noting the reports, the following comments were made:

It was noted that the Business Communications Group had not met since the last meeting but the Board noted the updates provided in the Communications and Marketing dashboards attached as appendices to the report. It was reported that a new campaign promoting Leeds City Region had been launched in London to build on recent investments and successes including Channel 4.

In noting the Green Economy Panel's update, Roger Marsh confirmed that the work of the new Northern Powerhouse 11 (NP11) would build on the clean energy activities.

The Place Panel had held its first meeting as a new advisory committee and details of its functions were provided in the report. It was noted that a report outlining the proposed changes to the structure of governance arrangements for the Leeds City Region Enterprise Zone (EZ) programme was provided as a separate item on the agenda.

In respect of the Growth Deal update, the Board endorsed the data capture spreadsheets for quarters 1 and 2, 2018/19 which were circulated at the meeting and the return would now be submitted to the Cities and Local Growth Unit (CLoG).

It was reported that the Business Innovation and Growth Panel and Employment and Skills Panel were due to meet the following week and the Board was provided with a brief outline of the items to be discussed.

Resolved: That the updates be noted.

45. Local Inclusive Industrial Strategy

The Chair welcomed Alan Reiss, Director of Policy, Strategy and Communications to his first meeting.

The Board considered a report which provided an update on the development of a Local, Inclusive Industrial Strategy (LIIS) for Leeds City Region, informed by the outcome of the LEP Board away day and ongoing discussions with Government. A summary of key messages discussed at the away day was attached at Appendix 2. Details of the key announcements made during the 2018 Autumn Budget in respect of the LIIS were outlined in the report and it was noted planning was underway to shape the Leeds City Region's response to the 2019 Comprehensive Spending Review (CSR) which will build upon the approach to the development of a LIIS and the budget submission.

Members discussed the ongoing work to develop and build an evidence base and the proposal to engage an independent expert panel to support the commissioning of research studies and the implementation and promotion of the findings. It was noted that members of the panel would be drawn from a range of areas including academia, business and the public and private sector. Members highlighted the need to take into account the changing geography, areas of deprivation and the breadth of universities across the region when establishing the panel. Activities to engage with community and citizen groups and young people to input into shaping the proposals would also be undertaken.

Members noted and endorsed the proposed way forward and discussed the opportunities to deliver inclusive growth outcomes as part of the strategy which would be overseen and monitored by the Inclusive Growth and Policy Panel. The importance of the employment and skills agenda linking to the development of the LIIS was raised and the need to explore different ways of engaging with smaller businesses. It was reported that the Business Communications Group would be considering ways in which to involve established networks and businesses which have previously been helped by the LEP.

Resolved:

- (i) That the progress made be noted.
- (ii) That the proposed way forward on development of the evidence base be endorsed.

46. Energy Strategy & Delivery Plan

The Board considered a report of the Director of Policy, Strategy and Communications which sought approval for the adoption of the Leeds City Region Energy Strategy and Delivery Plan (ESDP).

The ESDP will contribute to achieving the key challenges of the Local Inclusive Industrial Strategy and help to address national energy issues which, in addition to the decarbonisation of the energy system, aims to address energy security and affordability. The ESDP was made up of four work packages:

- Energy state of the Leeds City Region
- Technology Options Appraisal
- Energy Opportunity Areas
- Delivery Plan

A summary of each package was set out in the submitted report.

The Board discussed targeting investment and capturing new markets and how the work on clean growth could be made more visible for the public. It was highlighted that local authorities had done a lot of work towards changing behaviours on issues such as air quality, flood alleviation, electric vehicles etc. Members commented that it will be important to prioritise the actions that have been identified in the ESDP to deliver maximum benefit and to focus on the assets and projects that the region already has eg. Drax, hydrogen economy. Comment was also made that current transport policies and their impacts to reduce carbon should also be taken into consideration to decarbonise transport and improve health and air quality.

In respect of carbon reduction targets, the Board discussed exploring and adopting such a target in line with the Paris Climate Change Agreement of limiting global temperature rise to below 2 degrees Celsius and achieving net zero carbon emissions. Members supported the need to work towards setting a target in line with the Paris Climate Change Agreement. Further work will be undertaken to see how that trajectory changes in relation to the most recent Intergovernmental Panel on Climate Change (IPCC) report on limiting global warming to no more than 1.5 degrees Celsius.

It was reported that in order to help the LEP and Combined Authority consider adopting such a regional target, additional work including stakeholder engagement and a Leeds City Region summit/event is proposed for Spring 2019 to explore setting a regional emission reduction and how this can be met. A progress report will be provided to a future meeting.

The LEP Board endorsed the draft summary of the ESDP which was attached at Appendix 5 and noted the next steps which were outlined in the submitted report.

It was noted that further work will be undertaken to understand the financial implications for the Combined Authority and resourcing for the implementation of the ESDP is currently being investigated as part of the budget planning process.

Resolved: That the Energy Strategy and Delivery Plan be adopted.

47. Green and Blue Infrastructure & Delivery Plan

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on the development, and sought approval for, the adoption of the Leeds City Region Green and Blue Infrastructure Strategy and Delivery Plan (GBISDP).

A draft summary of the GBISDP was attached at Appendix 3. Members welcomed the strategy and discussed the project development, coordination and delivery of the GBISDP. Comment was made that measures of impact in respect of flood management should also relate to urban as well as 'up stream' areas. Members were advised that Calderdale Council had undertaken a pilot programme of 'slow the flow' activities including tree planting and an evaluation of the impacts and information on the activities will be shared.

The need to secure resource was acknowledged and further work will be undertaken in respect of the financial and staffing implications. The Green Economy Panel will monitor the progress and a more detailed review will be undertaken after two years.

Resolved: That the Green and Blue Infrastructure and Delivery Plan be adopted.

48. Digital Framework

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on the development of the Leeds City Region Digital Framework and sought endorsement for the adoption of the framework.

The report provided details of the consultation exercise which had been carried out to gauge the level of support for the proposed ambitions and interventions in respect of digital technology for the City Region. Feedback received through the process had been incorporated into the revised framework and further engagement would take place as action plans are developed. The high level ambitions statements were attached at Appendix 1.

It was agreed that a Digital Working Group be convened to provide a holistic overview of activity with a membership of Rashik Parmar, Adam Beaumont, Andrew Wright, Nic Greenan and Kersten England as lead Chief Executive.

Resolved:

- (i) That the LEP Board endorse the overarching outcomes and principles of the Digital Framework.
- (ii) That the LEP Board agree to set up a Digital Working Group with a membership of Rashik Parmar, Adam Beaumont, Andrew Wright, Nic Greenan and Kersten England as lead Chief Executive.

49. Culture, Sport & Major Events

The Board considered a report of the Chief Executive, City of York Council and the Director of Policy, Strategy and Communications on culture, sports and major events.

Mary Weastell, Chief Executive, City of York Council, provided an overview and outlined the activity where City Region partners are working together to unlock the full potential of culture, sport and major events to deliver the City Region's vision, vibrant places and a high quality citizen experience that is open to all. The report also provided an update on:

- The position of culture, sport and major events in City Region strategy and proposed future oversight by the Place Panel.
- Progress in securing funding, developing City Region services and influencing work with strategic funders.
- Connecting ambitious locally-led programmes that deliver the economic and social priorities of each place.
- Activity in creative industries linked to culture, sport and major events.

It was noted that the LEP and partner local authorities have secured and allocated investment of £12.2 million into cultural and major event activity. The Board welcomed the involvement of the City Region in helping to shape the strategic activity of other major public funders of arts and heritage activity. The City Region has also been selected to pilot an approach to promote creative skills and careers across Yorkshire and the Humber and the recent announcement by Channel 4 will unlock a programme of activity to maximise the growth of creative industries, across all parts of the City Region.

It was considered that the diversity and strong story of culture in the region could be more widely presented, highlighting the jobs being created connected to culture and sport and the assets of the City Region. The Board discussed the importance of this work and options as to where future activity should be considered and monitored to give it prominence and speed of delivery would be brought to a future meeting.

Resolved:

- (i) That the LEP Board endorses the report as an overview of City

Region activity on culture, sports and major events.

- (ii) That the LEP Board notes that partners have come together to support a secondment that will further drive this work.
- (iii) That a report be brought to a future meeting on the options for where future activity on culture, sport and major events be considered.

50. Trade & Investment

The Board considered a report of the Head of Economic Services which provided an update on the work of the Trade and Investment team in partnership with local authorities and sought input on forward priorities.

Details of sector and international business development activity including future planned events were outlined in the report. Members noted the importance of attending high profile events and exhibitions, including overseas visits, in order to attract new inward investment and to build on the City Region's growing reputation as a place to do business. The visit to China and Hong Kong in September 2018 had showcased the strengths of the Leeds City Region in partnership with key representatives from universities and businesses. The delegation had met with over 100 key businesses and government contacts and it was expected that the benefits of the visit will include an increase in bilateral trade and inward investment opportunities. In view of the success of the visit, it was considered that a greater focus should be given to developing emerging markets in China and India.

It was reported that there had been seven new inward investment successes since the last meeting including the decision by Channel 4 for Leeds to be the location of its National HQ operation. The Board gave their thanks and appreciation to David Shepherd and asked that this be passed on to all who had worked on the development of the bid. It was noted that its success had generated high levels of media attention and will be a catalyst for attracting more companies to the region.

Resolved:

- (i) That the LEP Board notes the report and welcomes the collective achievement in securing the Channel 4 National HQ.
- (ii) That the trade and investment priorities flagged for 2019/20 including a greater focus on developing emerging markets in China and India be noted.

51. Strengthened Local Enterprise Partnerships

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on the latest position and next steps to implement Government's recommendations for 'Strengthened Local Enterprise Partnerships' as a means of positioning the City Region to deliver extraordinary economic growth and sustained social transformation.

It was reported that following discussions across the LEP Chairs where geographies had remained unresolved, the Leeds City Region Enterprise Partnership, York and North Yorkshire had now agreed to form a single LEP. The Chair advised that he would write to Leaders and Chief Executives about the decision.

In recognising the challenges ahead, the Board confirmed their support for the larger geography which would put the region in a stronger position to bid for a share of future central government funds.

A working group will be established with members from each LEP to consider key issues to be addressed and to make recommendations. Members of the Board will be contacted with details of the proposed workstreams for the group.

It was reported that the implementation plan had been signed off by the LEP Chair and submitted to Government. A copy of the plan was attached at Appendix 1 and details of the key steps and future actions were outlined in the submitted report.

Resolved:

- (i) That the latest position on future LEP geography, and Government's response to the LEP Board's proposal be noted.
- (ii) That the activity covered in the implementation plan and future actions required by the LEP Board be noted.

52. Preparing for Brexit

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on the latest economic and business intelligence and key messages as the UK prepares to leave the European Union.

The report and appendices covered the main local, national and international economic developments and included the implications for the economy as the UK's exit from the European Union approaches.

It was reported that in responding to the Ministry of Housing, Communities and Local Government (MHCLG) on local preparations for Brexit, the

Combined Authority had made clear that more flexibility on Growth Deal funding will be sought in order to deploy it at short notice.

The impact of Brexit on the City Region economy and businesses will continue to be monitored. The Quarterly Economic Survey with the Chambers of Commerce has now been re-established and will report results for Q4 2018 in early 2019 and the annual Leeds City Region Business Survey will build on this in early 2019.

Resolved:

- (i) That the analysis presented in the economic update and dashboard be noted.
- (ii) That the planned approach to surveys to ensure timely and relevant intelligence be noted.
- (iii) That the progress made in developing support to businesses as the UK prepares to leave the European Union be noted.

53. Governance Arrangements for the Leeds City Region Enterprise Zone Programme

The Board considered a report of the Enterprise Zone Senior Responsible Officer on the proposed changes to the structure of governance arrangements for the Leeds City Region Enterprise Zone programme.

The report provided an overview of the Leeds City Region Enterprise Zone programme which includes two Enterprise Zone (EZ) designations, comprising of ten sites.

It was noted that in 2016 the Combined Authority had set up a Strategic Oversight Board which was responsible for establishing a shared vision for the Enterprise Zones but this did not have decision making capacity. The Combined Authority has identified the need to prioritise the accelerated delivery of the EZ programme and a review of governance arrangements had been undertaken to ensure there was a structure able to make strategic and operational decisions.

The proposed governance structure was outlined in the submitted report and it was noted that the Place Panel had endorsed the recommendations and asked that they and the LEP Board be provided with progress reports. It was reported that the arrangements would be formalised by the Combined Authority at their next meeting.

Resolved:

- (i) That the Strategic Oversight Board will no longer convene.

- (ii) That the changes to the EZ governance arrangements as outlined in the submitted report be introduced informally with immediate effect and updates provided to the relevant Combined Authority Panels/Committees as follows with the intention of formalising the arrangements at the Combined Authority meeting to be held on 13 December 2018.
- (iii) That notification of the changes agreed and implemented are reported to the Government's Cities and Local Growth Unit in line with the obligations stated within the Memorandum of Understanding.

54. LEP and Combined Authority Business Planning & Budget 2019/20

The Board considered a report of the Director of Resources on the work underway to produce the 2019/20 business plan and budget for the LEP and Combined Authority.

The Combined Authority will consider a draft budget at its meeting on 13 December 2018, ahead of setting the transport levy and agreeing the detailed budget on 14 February 2019.

An update on progress with the business plan and budget will be provided at the next meeting.

Resolved: That the work underway on progressing the business plan and budget for 2019/20 be noted.

55. Date of Next Meeting

The next meeting of the LEP Board will be held at 2 pm on Wednesday 23 January 2019.



Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **Business Communications Group (BCG) update**

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

Author(s): Racheal Johnson

1. Purpose of this report

- 1.1 To provide LEP Board members with an update on the meeting of the Business Communications Group (BCG), held on 12 December 2018.
- 1.2 To provide the Board with a summary of key communications and marketing activities delivered by the West Yorkshire Combined Authority's Communications and Marketing team in support of the LEP Board's objectives in October and November.

2. Information

BCG meeting

- 2.1 The BCG last met on 12 December. The meeting was chaired by Martin Hathaway from the Mid Yorkshire Chamber of Commerce as Chair, Joanna Robinson, was away.
- 2.2 The main discussion item was on barriers to growth among businesses in the region, and in particular what steps business representative bodies were taking to support their members through Brexit. The key points raised through the update, for the LEP Board's attention, were:

Brexit:

- Overall, those BCG members present noted a **fall in confidence** among their members compared with the previous quarter, which they felt was largely the result of growing Brexit uncertainty.
- **Uncertainty around any Brexit deal is the main challenge** representative bodies are facing in putting in place adequate support for members. The Chambers in the region and the Federation of Small Businesses have put in place checklists (which are available to any business; not just members) to help firms consider what issues they may

need to address as a result of Brexit, however until the contents of any deal are known, it is not possible to provide focused support.

- There is **evidence of stockpiling** in certain key sectors – particularly manufacturing and chemical/ healthcare industries. This is leading to shortages of components (notably in the electronics sector)/ ingredients and increased costs (including increases in commercial warehousing rents as businesses require additional space for stockpiling).
- There is concern that the recent trend towards **reshoring** – particularly among manufacturers in the region – could reverse if access to international markets becomes more complex as a result of Brexit and/ or costs increase.
- The York, North Yorkshire and East Riding (YNYER) LEP’s “Grow Yorkshire” initiative was highlighted as a good example of targeted support for **rural businesses and farmers** in the region, which are facing particular issues as a result of Brexit. The merger between the YNYER LEP and Leeds City Region Enterprise Partnership is seen as an opportunity to extend this support to rural/ agricultural businesses in West Yorkshire.
- **Access to Horizon 2020 funding**, which has provided significant support for university innovation/ R&D programmes in the region, is likely to discontinue after Brexit. This is expected to affect both institutions – in a context of falling student numbers – and businesses.
- There is a concern that Brexit could lead to a significant **skills gap within the construction sector**, in which businesses are already struggling to recruit. A recent report by the CITB suggested that EU migrant labour represents 8% of the industry workforce nationally.

Wider business issues

- **Transport** remains a key issue for businesses in the region. The series of rail strikes in the run-up to Christmas were having a particular impact on retail businesses, and there are concerns that stores in some town/ city centres may close as a result.
- A **slowdown in recruitment** has been noted in several sectors – this is likely the result of skills shortages in certain sectors, plus a reluctance among many businesses to take on new staff ahead of Brexit.
- There is a notable **digital skills gap** in many sectors – notably in construction and manufacturing, which have an ageing workforce. The CITB is developing a campaign to attract more young people into the construction sector to address this.
- A **lack of affordable housing in rural parts of the region** is compounding recruitment issues among rural/ agricultural businesses.
- The Government’s target of **raising R&D spend** to 2.4% of GDP is considered challenging, but many universities are now exploring opportunities to work with the private sector as a result.
- A **reduction in university tuition fees** is expected, which will have an impact on universities’ income – as a region where the concentration of higher education institutions is a key asset, this is a key issue for the LEP Board to note.

- **Clean Air Zone, Leeds** – recent changes in scope are broadly welcomed however there are some ongoing concerns about whether a small number of small businesses will be disproportionately affected by the proposals.
 - Businesses are continuing to highlight major issues with the national **Apprenticeships Levy**. Particular concerns were noted around the need for consistent quality standards around training provision, bureaucracy and the overall image of apprenticeships as a key route to filling businesses’ skills gaps. It was noted that retention of unspent Levy money should be a key ask of devolution discussions.
- 2.3 BCG members received an update on the **LEP review** and the proposal for the Leeds City Region Enterprise Partnership to merge with York and North Yorkshire. The proposal was broadly supported by BCG members, however it was noted that the best aspects of both LEPs should be retained in any new structures – in particular the current rural focus of the YNYER LEP could provide opportunities for businesses in West Yorkshire.
- 2.4 The BCG was advised that work on a **Local Inclusive Industrial Strategy** covering the new LEP geographic area would begin at pace. Members welcomed this development, and asked to be actively engaged in the development of the strategy.
- 2.5 Finally, the BCG received an update on progress with the City Region’s **European Structural and Investment Funds (ESIF)** allocation, and principles being put forward to Government around the future UK Shared Prosperity Fund. BCG members welcomed the progress on allocating as much existing ESIF investment as possible before the programme ends, and reiterated some of the key principles businesses would want to see in any new funding regime. In particular, BCG members stressed the importance of flexibility and local control of any new funding, and of focusing on leverage rather than match funding to enable participation of private and third sector organisations in delivering funding programmes. The group requested that updates on future funding developments be brought to future BCG meetings.
- 2.6 BCG meeting dates for 2019 are: 20 March, 5 June, 18 September and 12 December.

Communications and marketing update

- 2.7 Communications and marketing highlights from October and November include:
- A significant spike in advertising value equivalent (AVE) in October as a result of the **Channel 4 announcement**. This resulted in significant national media coverage, which has been sustained through subsequent activity in November. November also saw the launch of a London campaign to capitalise on the spotlight created by Channel 4 to attract further firms and/ or skilled workers to the region.
 - **Social media reach has increased month-on-month throughout 2018**, with combined impressions across all Combined Authority/ LEP channels

totalling close to 10,000,000 in November (from just over 1,000,000 in April).

- Marketing campaigns delivered since 1 April 2018 have generated **over 37million opportunities to see across all channels**. Current live campaigns include the “Best of All Worlds” London campaign, activity in support of MIPIIM 2019, the “Discover Digital” digital skills campaign, “Earn It” adult skills campaign and the “Make your Move” campaign to encourage participating in cycling in the region.
- As at 30 November 2018, consultation and engagement activity led by the Combined Authority has **exceeded its 2019/19 annual target** of £100,000. The majority of consultation and engagement activity this year has focused on the development of major transport and regeneration schemes, funded through the LEP Growth Deal. The team has also led engagement around changes to LEP business grant programmes and the LEP review.

3. Financial Implications

3.1 None.

4. Legal Implications

4.1 None.

5. Staffing Implications

5.1 None.

6. External Consultees

6.1 None.

7. Recommendations

7.1 That LEP Board members note the contents of this report.

7.2 That members offer comments on the business challenges and issues raised by BCG members in section 2.2.

8. Background Documents

8.1 None.

9. Appendices

9.1 None

Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **Business Innovation and Growth Panel**

Director(s): Sue Cooke, Executive Head of Economic Services,
Alan Reiss, Director of Policy, Strategy & Communications

Author(s): Henry Rigg, David Shepherd, Jonathan Skinner, Sarah Bowes

1. Purpose of this report

1.1 To provide the LEP Board with a report on the work of the BIG Panel.

2. Information

Innovation

Access Innovation

- 2.1 This LEP programme supports businesses to develop new products and processes via a package of advice and funding. To date, it has engaged with over 450 businesses, 235 of which have received one-to-one support from the three Innovation Growth Managers. This has resulted in the development of detailed action plans for each business innovation project. 32 applications for grants have been approved to date with a collective value of £1.42m and a further 23 totalling £445,000 are currently being appraised.
- 2.2 The highest number of enquiries and approved applications to date are from the healthcare and life sciences, manufacturing (including textiles) and digital sectors. As part of the Access Innovation programme, the Combined Authority recently undertook a procurement exercise to appoint an organisation to support SMEs to increase their innovation capacity. RTC North was awarded the contract and commenced its delivery of specialist workshops and advice sessions in November 2018. This will run until July 2019 and will provide the programme with a stronger pipeline of innovation-ready SMEs to take advantage of the funding element of the programme.
- 2.3 The recent mid-term evaluation of the programme has provided some valuable insights into its effectiveness to date, and into how it could be adapted in the future. It found that the programme has been successful in supporting a range of interesting and impactful projects through collaborations between businesses and the knowledge basis. However, it also found that the innovation support available to businesses needs to be more holistic, with less

focus on the grant element, and more focus on the wider innovation support offer available in the City Region from a range of partners.

- 2.4 There is a current opportunity to apply for funding from the European Regional Development Fund for a successor programme to Access Innovation, informed by learning on the current programme, including from the mid-term impact evaluation, and feedback from businesses and other key stakeholders.

This was discussed in detail at the meeting of the Business, Innovation and Growth Panel on 27 November 2018, with the panel members providing valuable input to help inform the next programme application. This included the importance of stimulating the appetite for innovation across a larger proportion of the City Region's SMEs, to be achieved through more targeted communications activity and by broadening the remit of the Innovation Growth Managers to broker in other specialist support. It also referenced the importance of supporting those businesses already engaged in innovation support to diversify into different sub-sectors and technologies to improve their competitive positions.

Brexit

- 2.5 November's BIG Panel provided an update on the latest economic and business intelligence on Brexit, as well as the ongoing work being undertaken to prepare and support the City Region's businesses ahead of the UK's withdrawal from the EU. Panel members fed back intelligence on the issues facing businesses including stockpiling on both sides of the Channel; the availability of warehousing; awareness levels of 'settled status'; and potential shortages of workers in companies where there is a heavy reliance on EU migrants.
- 2.6 A cross-organisational resource tasked with overseeing, co-ordinating and planning the Combined Authority and LEP response to the UK's exit from the EU has been established. The Combined Authority and LEP will continue to assess and align activity to ensure products and services support sustainability and growth.

MIT REAP

- 2.7 As part of regular reporting, the Panel was provided at its last meeting with a verbal update regarding the University of Leeds led Massachusetts Institute of Technology Regional Entrepreneurship Acceleration (MIT REAP) programme.
- 2.8 The two year programme started in October 2018 and is designed to promote innovation driven entrepreneurship across Leeds. The next steps for the programme includes stakeholder engagement, data gathering and developing a baseline in order to measure progress.
- 2.9 As part of the programme there is an opportunity for the City Region to host Workshop 3 in January 2020 for the whole of the MIT REAP Cohort 6. This would include bringing to the City Region the central team from MIT and the

other members of cohort 6: Campania, Italy; Central Denmark; Guayaqui, Ecuador; Kentucky, USA; Monterrey, Mexico; Oslo, Norway; Sidney, Australia. In addition to the Workshop itself, the visit would also include an 'Ecosystem Tour' to highlight the regions ecosystem and a 'Global Innovation Gala Dinner'.

- 2.10 With the support of LEP Board members, a bid to host has been submitted by Leeds, with an accompanying letter of support from the Minister for Northern Powerhouse Jake Berry MP. MIT will announce their final decision in May 2018.

Supply Chain

- 2.11 The University of Huddersfield gave a presentation to the Panel on its recently launched new supply chain development programme that will support SMEs across the City Region to improve their supply chain-readiness. This will be achieved through SMEs benefitting from bespoke packages of support directly informed by intelligence from larger businesses on their exact supplier specifications. This could include assistance to gain the required industry accreditations, support to upskill key staff members and support to improve operating processes. The programme will link closely to the supply chain policy initiative being led by the LEP and Combined Authority on behalf of the Northern Powerhouse 11 partnership.

Digital Framework

- 2.12 At the last meeting of the LEP Board in November, the Digital Framework was endorsed and adopted by the LEP. A subsequent discussions was held at BIG Panel at their last meeting at which the Panel supported proposals to establish a LCR Digital Overview Group, whilst delegating responsibility for each of the priority areas to various LEP and Combined Authority Panels.
- 2.13 BIG Panel will retain responsibility for driving the work of two priority areas: Digital Opportunities for all businesses and the Digital Sector and these will be fed into the Overview Group via the Chair Andrew Wright and Kersten England.

Business Support

Business Growth Programme (BGP)

- 2.14 The BGP provides grants to businesses in the City Region towards capital investment (land, building, plant, equipment, machinery) that will lead to new jobs and improvements in productivity.

Table 1: Programme performance against headline targets

Target Measure	6-Year Target (April 15 to March 21)	Achieved (as of Dec 18)
Expenditure	£38.96m	Committed - £30.84m Actual - £26.82m
New Jobs Created	4,100	Committed - 5,105 + 1,693 safeguarded Actual - 3,448 + 1,682 safeguarded
Businesses Supported	765	Committed – 561 Actual – 493
Number of Grants Awarded	N/A	Committed – 661 Actual – 577
Public/ Private Sector Leverage	£168.5m	Committed - £324.6m Actual - £257.6m
Total Cost Per Job	No contractual target	Committed - £6,041 Actual - £7,778

- 2.15 The above table shows good progress against the target to create 4,100 new jobs by the end of March 2021, with just under 3,500 created to date and commitment of a further 1,657 from approved applications. The 1,682 jobs safeguarded are as a result of grants awarded to businesses severely affected by the 2015 Boxing Day floods. The safeguarded jobs are not included in the above cost per job calculations.
- 2.16 A proposal to reduce the maximum amount of grant available to a business in a three-year period from £500,000 to £250,000, and to limit the number of successful applications to three over a three-year period, was recently endorsed by the Business Innovation and Growth Panel. The changes, which are now being implemented, will ease pressure on the overall BGP budget and give more businesses the opportunity to apply. The budget pressure will be further eased as a result of the recent decision to award the programme an additional £7m.
- 2.17 The Inclusive Growth commitments, developed and endorsed by the LEP and Combined Authority, went live on 31 July 2018 for new applicants to the BGP. A full review of the new approach will take place in February 2019, however, an early analysis of applications on the new criteria shows that 87.5% of all contracted jobs from 26 grant-approvals are committed to paying the Real Living Wage or above. It also reveals that the most popular additional commitments from those applicants awarded grants of over £50,000 are related to Sustainable Travel and Low Carbon.
- 2.18 The Call for projects under the Productivity Pilot closed on 14 December 2018. It invited businesses to submit applications for capital grant investment that will result in measurable productivity improvements, but that do not require net additional jobs to be created within the business. There has been a good level of interest in the pilot, with 11 completed applications received. Collectively the total grant request is circa £735,000.

LEP Growth Service

- 2.19 The Growth Service provides businesses in the City Region with direct access to the full range of publicly-funded products and services available to help them grow. It recently surpassed a major milestone in that it has now supported over 10,000 businesses in the City Region since its launch in April 2015. Table 2 below highlights performance against the headline targets for 2018/19.

Table 2: Performance against headline targets 2018-19.

Target Measure	Target	As of November 2018
SMEs supported - light-touch & intensive (such as attendance at events, sign-ups to the LEP eNewsletter, referrals to other products/services)	2750	1698
SMEs supported - intensively by SME Growth Managers (ongoing support over the year i.e. several meetings, diagnosis of need, personal referral to relevant products/services, support with funding applications etc).	630	562
Proportion of businesses supported likely to recommend it	85%	86% (Apr-Nov 18)

- 2.20 The service is on track to meet its annual target of supporting 2,750 businesses. Since April 2018, it has supported just under 1700 individual businesses, of which 562 have been intensively supported by the team of SME Growth Managers. Over 750 businesses received support from the LEP business support products in the first two quarters of 2018/19. In addition to the SME Growth Managers, this includes Access Innovation, Strategic Business Growth, the Business Growth Programme and the Resource Efficiency Fund.
- 2.21 Ten Pop-up Business Support Cafe events have been delivered so far this financial year in Beeston (Leeds), Manningham (Bradford), Wakefield, Todmorden, Otley, Keighley, Cleckheaton, Hunslet (Leeds), Ferrybridge and Huddersfield. Over 146 people from 124 small businesses have attended the events and accessed 136 hours of free advice from a range of local private sector experts. Sales and marketing, including the use of social media, continue to be the most popular topics. Satisfaction levels remain high with 89% of attendees rating the events as good or excellent, and 91% stating that they are now likely to do something different in their businesses.

Other Business Support Programmes

- 2.22 The Strategic Business Growth (SBG) project provides small, ambitious businesses in the City Region with a package of tailored support to help them achieve their growth potential. This includes business coaching, workshops on growth topics, peer-to-peer learning and capital grant-funding.
- 2.23 177 businesses are now fully engaged with the package of support available, of which 146 have developed detailed growth plans with their allotted account managers. 108 of the above businesses have benefitted from a combined total of over 4,200 hours of further one-to-one coaching, and 50 have attended at least one of the workshops that are covering such topics as scaling-up, access to finance and delivering against a business plan. 149 new jobs and 15 new products have been created so far on the project. In addition, capital investment grants totalling £450,000 have been awarded to 20 businesses that are also receiving elements of the advice package. These investments will leverage over £1.3m of private sector funding.
- 2.24 The Growth Service is the access point for the Travel Plan Network (TPN), which provides businesses of all sizes across West Yorkshire with advice and guidance on implementing sustainable travel solutions. Over 60 businesses have joined the network since April 2018, and there are now 413 members in total accounting for over 300,000 employees between them.
- 2.25 The Northern Powerhouse Investment Fund (NPIF) formally launched on 22 February 2017, and has since invested £12.5m of funding in 79 businesses in Leeds City Region. £1.69m has been invested in 41 businesses via the micro fund, £6.88m has been invested in 29 businesses via the debt fund, and £4m in ten businesses via the equity fund.
- 2.26 NPIF promotion has continued by both the appointed fund managers and the British Business Bank with extensive networking and attendance at key events. The focus continues to be private sector professional intermediaries (e.g. banks, accountants and solicitors), business membership organisations and the LEP Growth Service to continue to widen awareness of, and participation in, the fund.
- 2.27 The LEP will be launching its new Investment Readiness project in April 2019 following successful funding applications to the European Regional Development Fund and the Leeds City Region Business Rates Pool. The £1.42m project will support growth-oriented SMEs to better understand the complexities of the current finance marketplace, and to then access the external finance needed to deliver their growth plans. A tender opportunity to support delivery of the project will be advertised in January 2019.

Trade and Investment

Trade Context

- 2.28 In the year to September 2018, the value of UK trade in goods exports increased by 4.0% compared with the same period last year. There was an increase in annual export value for seven of the English regions, with Yorkshire & the Humber seeing an increase of 8.6%.
- 2.29 The total number of businesses exporting from the UK increased by 1.5% between Q3 2017 and Q3 2018. The number of businesses in Yorkshire & the Humber, however, grew by only 0.9% over the same period.
- 2.30 The British Chambers of Commerce Quarterly Economic Survey for Q4 2018 reports that 35% of manufacturers and 24% of services saw an increase in export orders in the last three months, a slowdown from 39% and 30% respectively. The BCC/DHL Trade Confidence Index, a measure of the volume of trade documentation issued nationally, fell by 3.86% on the quarter, but remains high by historical standards.
- 2.31 This slowing is also reflected in the EEF/BDO Manufacturing Outlook for Q4 2018, which shows that export order balances, the main reason for manufacturing growth last year, have significantly decreased from 24% to 12%. This is attributed in part to the diminishing effect of sterling devaluation. The EU remains the main market for opportunities with 59% of respondents reporting positive demand conditions there. Mechanical equipment and the electronics sector are showing particularly good export balances. Other key markets are North America and Asia.

Inward Investment

- 2.32 There have been two new inward investment successes supported by the team since the last report in November including the team's first success through the new investor development programme;
- Mastek – An Indian owned global IT player 70 new jobs to be created in their national graduate development centre in Leeds. Their UK clients include NHS Digital and the Ministry of Defence. (Investor Development)
 - Fitek – An Estonian FinTech business specialising in e-invoice solutions has expanded in to the UK market establishing an office in Leeds.
- 2.33 The team has received 11 new enquiries since the last report with various locations in scope within the Leeds City Region including three major opportunities with the potential to create over 500 jobs. Three enquiries are related to growth or new inward investment opportunities linked to the Channel4 announcement.

Investor Development

- 2.34 Over 60 companies now form part of the investor development programme. The team has identified over 30 potential investment projects through engagement with businesses. These projects range from investment into new machinery to seeking new premises to accommodate growth.
- 2.35 Collating and sharing business insight across the Combined Authority continues to be an important aspect of the role with companies sharing their views on topics such as Brexit, exporting and skills.

International, Business Development and Trade Activity

Smart Cities Expo – Barcelona

- 2.36 The Leeds City Region exhibited at the Smart Cities World Congress held in Barcelona in November. This event is the largest of its type (over 600 stands and 21,000 visitors) and attracts prominent delegates from high level tech companies as well as global cities including Moscow, Tel Aviv and Dubai.
- 2.37 Our visit received widespread positive feedback both from partners and the wider private sector delegation. It included a programme of 10 presentations as well as numerous meetings and interactions - over 168 connections were made by the delegation including the likes of Amazon Web Services, Microsoft and Cisco systems.
- 2.38 Planning is underway to look objectively at LEP attendance in 2019 including exploring a public / private sector funding model.

Valve World Expo - Dusseldorf

- 2.39 The trade and investment team showcased the city region at Valve World Expo 2018 in Dusseldorf as part of the UK EIC pavilion. This provided an excellent opportunity to demonstrate to an international audience the particular strengths within the city region in the flow control and fluid power technologies.
- 2.40 The series 'Doing Business in Europe' events concluded this quarter with sessions on export procedures and customs and getting paid and taxation. The five checklists produced from the events are now available on the LEP website <http://www.the-lep.com/for-business/international-trade/>

Upcoming Planned Events

- January 2019 Dubai– Arab Health Leeds City Region Showcase
 - March 2019 Cannes – MIPIM Leeds City Region stand and programme
- 2.41 Next year's areas of focus for the trade and investment team were discussed and the BIG panel supported the intention to explore the options for resourcing an increased focus on China and India especially in a post Brexit scenario.

2.42 The panel also noted the renewed emphasis in making a concerted effort to undertake activities that will generate greater levels of interest from inward investment in the wider towns and cities beyond Leeds, where market forces are naturally dictating higher volumes of inward investment enquiries.

2.43 A forward plan of activity will be developed after the New Year and presented to the LEP Board in 2019.

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 LEP Board notes and endorses the contents of the report.

8. Background Documents

None.

9. Appendices

None.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **Employment and Skills Panel**

Director(s): Sue Cooke, Executive Head of Economic Services,
Alan Reiss, Director of Policy, Strategy & Communications

Author(s): Michelle Burton, Peter Glover

1. Purpose of this report

- 1.1 To provide the LEP Board with a report on the work of the Employment and Skills Panel.
- 1.2 To seek endorsement of recommendations from the Employment and Skills Panel (ESP) that the eligibility criteria for the Apprenticeship Grant for Employers should be revised.

2. Information

Topic Insight – Careers

- 2.1 The purpose of topic insight sessions is to provide detailed input to ESP on a particular topic of interest in order to promote discussion and to identify practical steps that can be taken forward, including the development of a policy statement in that area.
- 2.2 The main focus of the topic insight session was our future ambition for careers support in the City Region, including careers education, information, advice and guidance.
- 2.3 A presentation was given to the panel, which provided a definition of careers, highlighted the importance of careers support to individuals and the economy, examined the current careers offer in the City Region and reflected on challenges posed by current arrangements. This provided the basis for a panel discussion around the future priorities for action in the City Region and the messages the LEP and Combined Authority should be highlighting to government with regard to careers.
- 2.4 The panel discussion highlighted a number of key points:
 - The need for a clear vision for careers support in the City Region
 - The importance for all pupils of meaningful encounters with employers – it's not just about prolonged work experience opportunities

- The need for a mechanism to challenge schools and hold them accountable with regard to their careers remit – we need to avoid careers becoming a “bolt-on” role for schools as for many of them academic results are the over-riding priority
- The potential value of creating CPD networks for teachers who specialise in providing careers support
- The need to consider the potential of digitally-enabled conversations in the context of careers information and advice, in order to increase the numbers of people both giving and receiving advice
- The importance of prioritising the flow of information on the labour market to young people and others who are making career decisions and the need to raise the visibility of occupational roles not just among young people but among adults
- The problem of gender stereotyping of roles and the value of showcasing women who work in atypical occupations
- The key potential role for HE in providing careers support and the need to encourage them to contribute more in this space
- The importance of making the connection between careers support and the emerging local industrial strategy.

2.5 These points will be considered in the drafting of a policy statement on careers support that will be submitted to the next ESP meeting for consideration, as one element of the refreshed Skills Plan.

Skills Commission

2.6 As reported at the last LEP Board meeting, a radical review of the post-16 vocational skills system will be launched in January 2019 to:

- Assess the current performance of the system.
- Identify future challenges.
- Set out a coherent blue print for a reformed system that can meet needs more effectively at both local and national level.
- Inform the national policy debate.
- Develop the Combined Authority’s thinking around powers and responsibilities.

2.7 Cllr Susan Hinchcliffe, as Chair of the West Yorkshire Combined Authority and lead Local Authority Leader for Skills, will chair a Commission which will carry out the review.

2.8 Rashik Parmar and Mark Roberts of the Employment and Skills Panel have agreed to join the Commission. The Chair has written to other potential members of the Commission to invite them to join.

2.9 Work is underway to draw together existing evidence to provide an initial assessment of the current state of knowledge in respect of the review’s objectives. This consists of analysis of local data on the performance of the skills system and a review of the extensive national literature on skills policy

and delivery. This will be used to inform the content of the call for evidence, including the key questions posed to consultees; to provide an early stage briefing to members of the Commission; and to identify gaps in our understanding where further investigation is required and resources need to be targeted.

Preparing for Brexit

- 2.10 At their meeting on 29 November, Panel members were provided with the latest economic and business intelligence and an update on ongoing work to prepare and support the city region's businesses and communities ahead of the UK's withdrawal from the EU, including skills programmes in particular.
- 2.11 The Panel fed back that this offer should be brought together in an accessible way and that greater consideration should be given to the potential impact of Brexit in the health sector, particularly where there is a reliance on EU workers in highly skilled occupations.

Apprenticeships

- 2.12 The Apprenticeship Grant for Employers (AGE) is funded by devolved monies from the Education and Skills Funding Agency (ESFA).
- 2.13 The AGE programme supports employment and training within skills shortage and growth sectors and encourages development of higher level skills. The original AGE programme ran from August 2015– July 2017. The programme was very well received, supporting 2924 businesses and allocating 3834 grants. From the original budget of £8,062,500, there is £1,164,215 remaining, which may be used for a follow on grant scheme. The current grant criteria were approved at the Panel's meeting in December 2017. These criteria were intended to make the grant more targeted to avoid displacement and maximise economic impact, and to align with Inclusive Growth ambitions by encouraging more businesses to pay the national minimum wage (rather than the minimum wage for apprentices which is significantly lower).
- 2.14 The grant relaunched with the current criteria in August 2018. Take up of the grant has been much lower than expected and at the time of writing, only 5 applications have been received. Three of these applications have been rejected due to the business not meeting the full eligibility criteria.
- 2.15 The Employment and Skills Panel therefore proposes a number of changes intended to ensure that more businesses are able to benefit from the grant. The proposed changes are:
- To increase the core grant to £2000 from £1500 in order to provide a greater incentive to recruit an apprentice;
 - To expand the eligibility to include businesses with fewer than 250 employees, so as not to exclude larger SMEs that haven't previously employed an apprentice;
 - To support apprenticeship standards across all sectors to reflect the aspiration to encourage all businesses to engage with apprenticeships.

2.16 The proposed changes are highlighted in red in the table below and the LEP is asked to endorse the revised criteria with a view to increasing take up of the available grant to businesses to encourage them to create more quality apprenticeships.

CURRENT GRANT CRITERIA	PROPOSED REFRESHED GRANT CRITERIA
Core grant - £1,500	Proposed grant – £2,000
Business must have 50 or fewer employees	Business must have 249 or fewer employees
Business has never offered apprenticeships before	Business has never offered apprenticeships before
Businesses must be based within the Local Authority areas of WY and York	Businesses must be based within the Local Authority areas of WY and York
The apprentice must be aged 19-24	The apprentice must be aged 19-24
The business must be paying the apprentice the National Minimum Wage for the age of the apprentice	The business must be paying the apprentice the National Minimum Wage for the age of the apprentice
Apprentices must be following a recognised standard or framework relating to our key priority sectors / skills gaps in Manufacturing & Engineering, Construction, planning & the built environment and IT / Digital	Apprentices must be following an apprenticeship framework or standard as recognised by the Education and Skills Funding Agency (ESFA)
Top up grant - £500	Top up grant - £500
Additional top up grant of £500 on offer if the apprenticeship is at level 4 or above	Additional top up grant of £500 on offer if the apprenticeship is at level 4 or above

Successful applications for funding

2.17 The Combined Authority recently submitted a full application to a competitive European funding call to develop a £3.1m programme named **[re]boot** to support graduates and career changers into key sectors. Confirmation has now been received from the Department of Work and Pensions (DWP) that the outcome of the application was successful. Procurement of sub-contractors has commenced. Delivery is expected to commence in January 2019.

2.18 The Combined Authority in partnership with local authorities has been successful in an application to a competitive European funding call, **Routeways: Developing Young People**. The programme, with a value of £4.5m plus £4.5m match, will support young people into learning, employment and apprenticeships and support businesses to offer apprenticeship opportunities and other employment options. This programme will be delivered

across Leeds City Region, excluding Barnsley which is part of a different European funding programme.

Delivery Agreements

- 2.19 Formal reviews of college performance against aspirations and targets in their Delivery Agreements published in July 2017 have taken place during November and December 2018. A formal report with findings, progress and future actions will be published by February 2019.

Skills Capital

- 2.20 A summary of the Skills Capital programme was included in the papers for the September meeting. Since then:
- The Springfield Centre at **Kirklees College** was formally launched on 15 November. The centre forms part of the Dewsbury Learning Quarter and will focus on skills development for young people, with a range of new courses, which will prepare them for the world of work or to take the next steps into Higher Education, including courses in Computing and Digital Industries, Construction and Health and Social Care. Kirklees Council is on site completing its part of an ambitious plan to bring the iconic Pioneer House back into use as part of the new Dewsbury Learning Quarter. Pioneer House will be open to students in Autumn 2020.
 - **Leeds College of Building** – Hunslet Road Phase II construction works will finish on site in December 2018 and will open to students in January 2019. The College will then commence works refurbishment works on its North Street Campus as part of the overall project. These works are scheduled to complete by April 2019.
 - **Leeds City College** – construction continues on the Quarry Hill campus which will open to students in September 2019. The College will then commence refurbishment works on its Park Lane Campus as part of the overall project.

Enterprise in Education

- 2.21 The Enterprise in Education team is currently working with 172 secondary schools and colleges to embed employer engagement in all aspect of teaching and careers information, advice and guidance. 138 Enterprise Advisers (senior business volunteers) are working closely with senior leaders in schools.
- 2.22 A refreshed careers campaign targeted at young people and their key influencers **#futuregoals** was launched in October, receiving over 10,000 unique views per month in October and November. LEP Board members are encouraged to engage with and promote the campaign through their personal and organisational social media channels.

- 2.23 As previously reported, Leeds City Region has been successful in the competitive process to apply for a **Careers Hub** in Kirklees. A Lead Enterprise Coordinator for the Careers Hub started in post in December and will develop a 'Cornerstone Employer' plan in Kirklees to secure high profile business to act as ambassadors for business engagement promoting careers in schools.
- 2.24 The Leeds City Region has been selected to pilot an approach to promoting creative skills and careers, part of the sector deal for creative industries announced as part of Government's modern industrial strategy. The **Creative Careers Pilot** seeks to convene partners, including the Careers and Enterprise Company and creative industries to develop an online toolkit resource/portal that provides information for teachers, parents and young people on:
- An overview of the sector
 - Creative industry sub-sectors, regional businesses, entrepreneurs and events to learn more
 - Careers teaching resources
 - Young people telling their own stories in case studies and videos

Career Learning Pilot

- 2.25 The Career Learning Pilot is funded by the Department for Education (DfE) and is designed to test methods of outreach and subsidy for low skilled adults in work or close to the labour market. The outcomes of the pilot will be evaluated by the Learning and Work Institute and used by DfE to inform the design of the proposed National Re-training Scheme.
- 2.26 Activity to date has included:
- 'Face to face' outreach activity, delivered by partners, reaching 315 participants.
 - The Combined Authority's marketing campaign, which has reached 547,187 people during September, through printed media, bus stop and 'big screen' advertising as well as social media campaigns.
 - The-lep.com/earnit pages including awareness raising information about the labour market and signposting.

Digital Framework and Digital Skills Campaign

- 2.27 The Employment and Skills Panel was provided with an update on the development of the Leeds City Region Digital Framework and endorsed the adoption of the Framework.
- 2.28 The #discoverdigital website launched in August alongside social media channels. The aim of the campaign is to inspire individuals into digital roles, to promote digital skills across our key industry sectors and to demystify digital careers. Since the launch, the website has had 1,224 new visitors and over 9,600 individual page views. The campaign has also reached over 80,000 people through social media channels. LEP Board members are encouraged

to engage with the campaign through their personal and organisation's social media channels.

3. Financial Implications

- 3.1 The proposed changes in eligibility for the Apprenticeship Grant for Employers (AGE) programme are outlined above.

4. Legal Implications

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

5. External Consultees

- 5.1 No external consultations have been undertaken.

6. Recommendations

- 6.1 That the LEP Board:

- Notes the contents of the ESP report.
- Considers and endorses the recommended changes to the eligibility criteria for the Apprenticeship Grant for Employers.
- Encourages members to engage with the #futuregoals and #discoverdigital campaigns through their personal and organisational social media channels.

7. Background Documents

None.

8. Appendices

None.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **Inclusive Growth and Public Policy Update**

Director(s): Alan Reiss, Director of Policy, Strategy and Communications

Author(s): Britta Berger-Voigt

1. Purpose of this report

- 1.1 To provide a summary of the Inclusive Growth and Public Policy Panel (IGPPP) meeting on 4 December 2018.

2. Information

Local Inclusive Industrial Strategy and Leeds City Region Policy Framework

- 2.1 The Panel received an update on the development of the Leeds City Region Policy Framework and a Local Inclusive Industrial Strategy, with inclusive growth embedded across both. The ongoing work regarding the Local Inclusive Industrial strategy will be reported to the IGPPP in addition to the LEP Board, with IGPPP members able to comment.
- 2.2 The Panel was informed that the respective evidence base will be approached as inclusively as possible with community groups and young people to be involved.

Inclusive Growth Workshop

- 2.3 After the first meeting, members of the Panel agreed to focus their initial work programme on digital inclusion, health and good work. To identify specific regional delivery needs and opportunities, a workshop was held in November, bringing together Panel members, community sector organisations, Community Service leads from all West Yorkshire districts and the Combined Authority colleagues to share their understanding of key issues in deprived communities and crucially what actions could be taken to bring about change.
- 2.4 Panel members provided positive feedback on the workshop, commenting in particular on the quality and depth of discussion. It was suggested that officers could report back to the Chair and Chief Executive member with a future workshop program. The Panel discussed the opportunity to build on the discussion and further investigate local best practice by visiting sites and

projects across the districts. The Kirklees Community Hubs was suggested as a possible example.

Digital Inclusion

- 2.5 Reflecting on a presentation, the Panel discussed some of the ongoing work across the districts, with the work of Leeds City Council with the Good Things Foundation identified as a leading scheme in this respect. This led the Panel to provide a mandate to address digital inclusion as part of its work programme.
- 2.6 The respective report outlined three possible delivery options to address digital inclusion. The Panel expressed a great interest to take forward an option which includes:
- Securing senior level buy in for the agenda,
 - Establishing a City Region Digital Inclusion working group to share best practice and experiences.
 - Undertaking a gap analysis of existing support across the City Region (including through community sector organisations), and economic and social return on investment modelling.

Health and Healthy Streets

- 2.7 The Panel and workshop had previously considered a number of issues around public health which had been identified as a central part of the inclusive growth agenda, including the need to reduce health inequalities. In relation to this, the Panel was provided with a presentation on the proposed West Yorkshire Healthy Streets initiative which included plans to implement 'demonstration projects' in each of the five districts, with a particular focus on the inclusive growth corridors and driving public health improvements.
- 2.8 It was recognised that Healthy Streets encompassed multiple policy agendas, including transport, public health, place making and inclusive growth. The Panel discussed how the Healthy Streets initiative may fit into its work. It was noted that while Healthy Streets sits with the Transport Committee and the individual districts at an operational level, there was an opportunity for the Panel to feed into the design of the proposed demonstrators at a more strategic level in order, for example, to maximise public health improvements. It was suggested therefore that there could usefully be an emphasis placed through the demonstrators on addressing health inequalities and reducing air pollution in our most deprived communities.
- 2.9 The Panel requested more evidence and further thinking around the inclusive growth applications with a particular focus on health inequalities.

Good work

- 2.10 The Panel considered a report about 'good work' and was informed of some of the activities already in place to promote 'good work' across the City Region. The Panel noted the funding made available by the Business Rates Pool

Committee for inclusive growth projects designed to drive good work and it was suggested that the Panel could liaise with the Business Rates Pool Committee to gain further insight.

- 2.11 Bill Adams from TUC provided the Panel with a presentation which outlined the TUC's 'Great Jobs Agenda'. The agenda provided a series of Standards for 'great jobs'. The Panel commended the agenda and discussed how it might be worked towards. Some suggestions included using aspects of the Great Jobs agenda as criteria for business awards and championing the 'good work' agenda to promote change.

Funding opportunities

- 2.12 The Panel considered a report about the funding opportunities available to drive inclusive growth across the region. The Panel noted the projects funded through the Business Rates Pool as well as the Growing Places Fund.
- 2.13 The Panel was informed that options for funding would be presented at the next meeting, including an update regarding the use of the Growing Places Fund for inclusive growth purposes.

Governance Arrangements

- 2.14 The Panel discussed the possibility of reviewing membership and recruiting new members. It was noted that it was important for future members to come from a diverse range of backgrounds and represent different viewpoints on the inclusive growth agenda.

Date of the next meeting

- 2.15 The next IGPPP meeting will take place on 1 March 2019.

3. Financial Implications

- 3.1 In addition to core staff resources, a budget of £70,000 was approved by the Business Rate Pool Committee to drive inclusive growth across the City Region which could be used to scope the delivery of the IGPPP's work programme.
- 3.2 Further funding options will be explored over the coming weeks to provide funding for the digital inclusion project.

4. Legal Implications

- 4.1 There are no implications associated with this paper.

5. Staffing Implications

- 5.1 There are no implications associated with this paper.

6. External Consultees

6.1 External engagement to inform the increase digital inclusion is anticipated to commence in early 2019.

7. Recommendations

7.1 That the LEP Board note and endorse the contents of the report

8. Background Documents

8.1 None.

9. Appendices

None.



Report to: Leeds City Region Enterprise Partnership Board (LEP)

Date: 23 January 2019

Subject: **Capital Programme Update (Investment Committee)**

Director: Melanie Corcoran, Director Delivery

Author(s): Lynn Cooper

1. Purpose of this report

- 1.1. To provide the LEP Board with the indicative three year capital programme that will be considered by the West Yorkshire Combined Authority at its meeting in February 2019. The capital programme includes various LEP funding programmes for which the Combined Authority is the accountable body including the Growth Deal, Growth Places Fund and various projects which include European funding.
- 1.2. The report also includes an update on actions to be undertaken to achieve the Growth Deal target spend, notes the review of the Growth Deal that is currently underway and provides an update on the independent evaluation of the Transport Fund.

2. Information

- 2.1. In February each year the Combined Authority considers a three year forecast budget for both capital (including LEP funding programmes for which the Combined Authority is the accountable body) and revenue expenditure. This report details the proposed capital programme budget that will be presented to the Combined Authority.
- 2.2. The LEP and Combined Authority have been successful in securing significant external funding to support delivery of the ambition set out in the Strategic Economic Plan. The number of projects funded through these programmes is currently in the region of 250 but the number continues to rise.
- 2.3. **Appendix 1** summarises the expected outturn for 2018/19 and three year forecast capital programme to 2021/22. The amount received in each year on each programme is either agreed with Government in advance or is claimed in arrears (after the money has been paid out by the Combined Authority as the accountable body). Where capital funding is received in accordance with an agreed profile there is often a balance of funding held within the accounts, these figures are included in the Brought Forward and Carried Forward

columns. The figures included in the table are currently in draft, further work will be required to finalise these before they are submitted for consideration to the Combined Authority meeting in February 2018.

- 2.4 In the budget report approved in February 2018 a profile of income had been agreed with Government for the Local Public Transport Investment Fund (LPTIP). The Combined Authority have now been notified that the funding will not be paid in accordance with this profile and that instead the funding paid will reflect the expected spend profile. This means that income will not be received on this programme in 2018/19. The Department for Transport has also confirmed that all expenditure must be achieved by March 2021.

Borrowing

- 2.5 The emphasis of the Growth Deal is on delivering job and housing outputs. To ensure that outputs are maximised and that Growth Deal funds are fully utilised the partnership will over-programme and commit to borrowing where required. The call for projects identified further projects that could contribute further to these outcomes and with the inclusion of these in the programme there is a risk that the Growth Deal funding may be insufficient. At its meeting on 28 June 2018 the Combined Authority recognised that further funding of up to £90 million may be required to meet this risk.
- 2.6 The borrowing requirement will be monitored and reported as the Call for Projects and additional funding for existing projects receive approval.
- 2.7 The West Yorkshire plus Transport Fund involves the commitment that a local contribution of £217 million will be required by the partnership in order to achieve the £1 billion programme spend. The level of borrowing required by the partnership in the final two years of the current Growth Deal for the Transport Fund was always expected to be circa £40 million. Forecasts across the Transport Fund projects currently show a level of borrowing requirement significantly higher than this amount. Discussions are currently ongoing with district partner finance officers to improve these forecasts and establish a more realistic level of required borrowing, it is expected that the introduction of clear risk based forecasting will reduce forecast spend levels by more than 50%. In the meantime the assumption is that the borrowing required on the programme by March 2021 will be circa £60 million.

Growth Deal Annual Conversation

- 2.8 The Growth Deal Annual Conversation took place on 13 December 2018. This involved a full review of the progress of the programme. All Local Enterprise Partnerships are assessed against set criteria which cover governance, delivery and strategy. A formal response is expected in February 2019.

Independent Evaluation of Local Growth Interventions

- 2.9 As part of the terms of the Growth Deal award to the Leeds City Region, an independent review of the impact of locally appraised interventions is to be undertaken at the first five year gateway (also known as the Gateway Review 2019). Leeds City Region is one of four areas subject to this evaluation in 2019 – the other areas are Glasgow, Manchester and Cambridge.
- 2.10 Economic consultants SQW Limited are leading the National Evaluation Panel responsible for the monitoring and evaluation of investment funds across the UK. SQW have been commissioned to evaluate the Transport Fund and the first output of the research is a baseline report, which has recently been published. Several strands of activity fed into the baseline report, including survey work and strategic interviews to establish a local capacity and partnership working baseline, work to look at how the economy was expected to develop since the launch of the Transport Fund in 2014, and progress to date on the delivery of transport funded schemes. The baseline report draft is currently being finalised, and a summary of the findings will be presented at the next meeting.
- 2.11 SQW are now starting work on a one-year out report, which is due early in 2019. This will assess progress of individual transport fund interventions, in terms of spend to date, outputs and when they will be realised relative to the position 12 months ago. This work will conclude in December, with a final report to inform the first gateway review of the fund. The first gateway review will be completed by Government by the end of March 2020.

3. Financial Implications

- 3.1 Financial implications are set out within the report.

4. Legal Implications

- 4.1 None as a result of this report.

5. Staffing Implications

- 5.1. Development work has been undertaken within the West Yorkshire Combined Authority Transport Policy Team in partnership with partner district authorities.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 It is recommended that the LEP Board notes the indicative three year capital programme that will be considered by the Combined Authority as the accountable body at its meeting in February 2019.

8. Background Documents

8.1 None

9. Appendices

Appendix 1 – West Yorkshire Combined Authority Forecast Capital Programme

Appendix 1 West Yorkshire Combined Authority Forecast Capital Programme 2019 – 2022

(All figures in £000's)	2018/19			2019/20			2020/21			2021/22			
Capital Programme	Balance brought forward from 2017/18	Income	Forecast Expenditure	Balance Carried Forward	Income	Forecast Expenditure	Balance Carried Forward	Income	Forecast Expenditure	Balance Carried Forward	Income	Forecast Expenditure	Balance Carried Forward
Growth Deal (including West Yorkshire Transport Fund) <i>Note: income from 2021/22 onwards relates to Transport Fund only (£30 million gainshare and estimated £20 DfT transport majors)</i>	£55,705	£74,349	£102,080	£27,974	£73,510	£105,960	£-4,476	£100,338	£152,973	£-57,111	£50,000	£200,696	£-207,807
Leeds Public Transport Investment Programme	£17,622	£0	£10,115	£7,507	£65,511	£73,018	£0	£88,081	£88,081	£0	£0	£966	£-966
Local Transport Plan Integrated Transport Block and National Productivity Investment Fund	£7,862	£13,104	£8,081	£12,885	£13,104	£20,000	£5,989	£13,104	£21,873	£-2,780	£13,104	£13,104	£-2,780
Highways Maintenance Block and Highways Incentive Fund	£0	£28,442	£28,442	£0	£23,507	£23,507	£0	£23,507	£23,507	£0	£23,507	£23,507	£0
Pothole Action Fund / Highways / Flood Resilience	£3,850	£4,647	£9,267	£-770	£3,108	£3,108	£-770	£3,108	£3,108	£-770	£3,108	£3,108	£-770
Cycle City Ambition Grant	£10,801	£0	£8,500	£2,301	£0	£2,301	£0	£0	£0	£0	£0	£0	£0
West Yorkshire Cycling and Walking Fund	£664	£640	£1,304	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cycle Safety Grant	£0	£1,470	£470	£1,000	£0	£1,000	£0	£0	£0	£0	£0	£0	£0
CCAG Top Up	£0	£700	£210	£490	£0	£490	£0	£0	£0	£0	£0	£0	£0
Steeton and Silsden Active Travel Access	£700	£0	£0	£700	£0	£700	£0	£0	£0	£0	£0	£0	£0
Clean Vehicle Technology Fund	£1,368	£0	£1,368	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Ultra Low Emissions Vehicles	£466	£500	£978	£-12	£990	£978	£0	£0	£0	£0	£0	£0	£0
West Yorkshire Broadband	£3,235	£5,651	£5,769	£3,117	£0	£1,157	£1,960	£0	£172	£1,788	£0	£1,072	£716
Growing Places Fund	£12,593	£0	£1,350	£11,243	£0	£2,100	£9,143	£0	£2,105	£7,038	£0	£2,110	£4,928
One Public Estates	£750	£320	£1,070	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Warm Homes	£0	£1,000	£1,369	£-369	£620	£251	£0	£0	£0	£0	£0	£0	£0
Corporate Projects - Accommodation	£0	£0	£335	£-335	£0	£5,237	£-5,572	£0	£427	£-5,999	£0	£0	£-5,999
Corporate Projects - Technology Strategy	£0	£0	£1,570	£-1,570	£0	£1,734	£-3,304	£0	£284	£-3,588	£0	£119	£-3,707
Capital Receipts	£652	£0	£0	£652	£0	£0	£652	£0	£0	£652	£0	£0	£652
Total	£116,268	£130,823	£182,278	£64,813	£180,350	£241,541	£3,622	£228,138	£292,530	£-60,770	£89,719	£244,682	£-215,733

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **Strengthened Local Enterprise Partnerships**

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

Author(s): Christian Denison, Jonathan Skinner

1. Purpose of this report

- 1.1 To update the LEP Board on the latest position in implementing Government's recommendations for *Strengthened Local Enterprise Partnerships*, both in advance of, and in preparation for, the creation of a new LEP. There is a separate report on changes to the Assurance Framework, including those required due to Government recommendations.

2. Information

Local consensus on LEP geography

- 2.1 As noted at the previous LEP Board on 22 November, there is now local consensus that supports the development of a West and North Yorkshire LEP as proposed.
- 2.2 Following Ministerial discussions with LEP Chairs, the York, North Yorkshire, and East Riding LEP (YNYER) chose on 16 November to submit an alternative proposal that supports a West and North Yorkshire LEP. The Leeds City Region Enterprise Partnership Board reaffirmed its proposal (22 November) for that geography (fig.1), which was set out in a letter to the Secretary of State which is attached as Appendix 1.
- 2.3 A response from the Secretary of State, James Brokenshire MP, to Roger Marsh was received on 4 December 2018, welcoming the LEP's positive response to the review recommendations including the resolution of overlaps. It also confirmed that the LEP would receive an allocation, to support the implementation of the review and building the evidence base for the Local Industrial Strategy. This is attached at Appendix 2. Since this letter was received the additional funding allocation of £200,000 has been confirmed.

Fig.1 – the proposed geography of a West and North Yorkshire LEP



Implementation

- 2.4 There are two stages to implementation of the Government recommendations. The first stage is to implement recommendations to ensure that current arrangements for the LEP are compliant, which all LEPs will have to do. The second stage involves those changes that need to happen in order to create a new LEP by April 2020.

Changes required to current arrangements

- 2.5 At the previous meeting Board Members received a detailed implementation plan which was submitted to Government. This set out how the LEP will be compliant with Government recommendations and the actions that will be taken. It was submitted on the basis that there would be no changes to LEP geography and therefore most of the plan will now be incorporated into the work of the Transition Subgroup set out below. As set out in the LEP's implementation plan, the Draft Annual Delivery Plan will still be brought to the March LEP Board.
- 2.6 One stipulation of the implementation plan is that LEPs are required to have a process in place for recruitment of the Chair and that the business community must be consulted before appointing a new Chair. This process must be in place by 28 February 2019.
- 2.7 The LEP supports the principle of consulting widely and transparently. To date, private sector representatives have been appointed in accordance with

the LEPs diversity statement and through an open, transparent and non-discriminatory recruitment process, as required by the LEP Constitution. As set out in the LEP's implementation plan, the LEP undertook to formalise a comprehensive recruitment procedure for the LEP Chair and other private sector representatives on the LEP, and on any committee (including an advisory panel) of the Combined Authority which reports to the LEP. The proposed procedure is attached at Appendix 3 to this report. The diversity statement to which the procedure refers will be reviewed by the LEP Board at its meeting in March 2019.

- 2.8 It is anticipated that the proposed recruitment procedure set out in Appendix 3 will in effect be an interim procedure for the LCR LEP only, pending a further collaborative review of recruitment processes as part of the transition to a new LEP. It is anticipated that the collaborative review will extend to role profiles for relevant positions, and that wider consultation (for example, through the Business Communications Group) will also be undertaken in respect of any revised procedure.
- 2.9 The current private sector membership of the LEP Board is well balanced, but there are five private sector representatives whose terms of office are due to expire in June 2019. The LEP Chair's appointment letter dated 20 September 2016 confirmed a term of 3 years from 1 July 2016 with the option of a further year. Having continuity and experience during a period of transition will be crucial, and it will be difficult to successfully recruit during a transition period. It is therefore proposed to offer an extension to each of these 5 private sector representatives and also to the Chair, so that their terms of office will expire when the new LEP is established by April 2020. This will facilitate an orderly transition to a new LEP.

Creation of a new LEP

- 2.10 In order to implement the new geographic proposals and other Government recommendations a Transition Subgroup with members from both YNYER LEP and LCR LEP has been established. The remit of this group will be to make recommendations at the March 2019 Board meetings of the respective LEPs about the working arrangements for a proposed new LEP to cover North and West Yorkshire, to be operational from April 2020.
- 2.11 In developing the Transition Subgroup's membership, both LEPs sought to strike a balance between public and private leadership with:
- Two private sector members from each LEP Board
 - A local authority Leader from each LEP Board
 - The respective LEP Director for each LEP
- In addition, it is suggested that a representative from the City of York be appointed to the Transition Subgroup.
- 2.12 The Transition Subgroup will operate in a way that is:
- Collaborative and transparent – recognising the interests of both LEPs and the nature of North and West Yorkshire's diverse economies and

communities, and the need for the working group to build trust across parties.

- Informed – sharing openly, current ways of working to help partners reflect on ‘the best of both’ in order to shape future options.
- Prioritised – ensuring Board-level direction and leadership on those issues that require attention first, with space for detailed options to be worked through by officers.
- Ambitious – this change is being made for positive reasons, providing opportunity to explore and set-out transformative ideas for how a new LEP might operate.

2.13 The group is focussing on 8 areas, which combined will cover all of the Government’s recommendations, to report on at the next LEP Board. These are:

1. Transition and Leadership – make recommendations on practical solutions to enable a new LEP to be operational by April 2020.
2. Policy and Strategy – make recommendations about the Local Industrial Strategy approach to ensure improved economic and social outcomes across all constituent parts of the new LEP.
3. Identity, Communications and Engagement – make recommendations on the new LEP’s identity and approach to communication and engagement during the transitional phase and for the new LEP.
4. LEP Membership – make recommendations on LEP Board structures and membership in line with the LEP review requirements.
5. Decision Making – make recommendations on decision making for the new LEP.
6. Programme Delivery – make recommendations on the approach to managing existing programmes.
7. Economic Services – make recommendations about the approach to shaping and delivering economic services.
8. Regional and National Influence – make recommendations on relationships, opportunities and risks.

2.14 The Transition Subgroup will bring recommendations from the above workstreams to the March LEP Board for approval.

3. Financial Implications

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

4. Legal Implications

4.1 Subject to approval by the LEP Board, the Combined Authority at its meeting in February 2019 will also be asked to endorse the recruitment procedure, in so far as it relates to appointments of private sector representatives to Combined Authority committees.

5. Staffing Implications

- 5.1 There are no staffing implications directly arising from this report. Significant additional activity to deliver a new LEP for West and North Yorkshire is being met through reprioritisation of existing staff resources and – potentially – additional capacity funding from Government.

6. External Consultees

- 6.1 There have not been any external consultations.

7. Recommendations

- 7.1 That the LEP Board approve an extension to the terms of office for each of the following 5 private sector representatives, to expire when the new LEP is established by April 2020:
- Ian Cherry
 - Prof Bob Cryan
 - Rashik Parmar
 - Joanna Robinson
 - Andrew Wright
- 7.2 That the LEP Board approve an extension to the terms of office for the LEP Chair, to expire when the new LEP is established by April 2020.
- 7.3 That the LEP Board approve the Private Sector Members' Recruitment Procedure set out in Appendix 3 to this report.
- 7.4 That the LEP Board endorse the operational remit of the Transition Subgroup and the plan to bring recommendations to the next LEP Board in March.
- 7.5 That the LEP Board support the suggestion that a representative of City of York Council is an additional member of the Transition Subgroup.

8. Background Documents

- 8.1 None

9. Appendices

Appendix 1 – Letter from Roger Marsh OBE to James Brokenshire MP, Secretary of State for Housing, Communities and Local Government.

Appendix 2 – Letter from James Brokenshire MP to Roger Marsh OBE.

Appendix 3 –Private Sector Members' Recruitment Procedure.

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The Rt Hon James Brokenshire MP
Secretary of State
Ministry of Housing, Communities and Local Government
4th Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

22 November 2018

Dear *Secretary of State,*

In my letter of 16 November I committed to updating you following the Leeds City Region Enterprise Partnership's (LEP) Board meeting on Thursday 22 November.

After a full and positive discussion, I am delighted to report that the Board reiterated its preference of 30 September to create a new LEP covering the whole of West Yorkshire, York and North Yorkshire. We believe this puts our area in the best possible place to realise extraordinary economic growth and sustained social transformation for all our communities.

Our initial submission included compelling evidence about why this geography best represents a functional and functioning economic area. To that I would add a further point from the LEP Board's discussion: we are proud of the impact LEPs have delivered since 2012, however the communities of West and North Yorkshire still have incredible untapped potential to offer the UK economy.

By combining forces across our diverse but connected rural, coastal and urban places, we will be in an even stronger position to take ambitious public investment decisions that are accountable to local stakeholders. We will also ensure that our area is at the heart of discussions on future local industrial strategy and maximise access to the UK's Shared Prosperity Fund for the benefit of our residents and businesses.

We are clear that any new LEP which results from a merger will operate differently to both existing LEPs, taking full account of the recommendations in *Strengthened Local Enterprise Partnerships* and building on the best elements of each current LEP. We have a clear plan to deliver a new, merged LEP by April 2020. Both LEPs have agreed to work together through a West and North Yorkshire transition working group to bring forward recommendations by March 2019. These recommendations will require

approval of both existing LEP boards to proceed to implementation of the future arrangements.

I trust this confirmation of the Leeds City Region Enterprise Partnership Board's position, alongside similar commitment from the York, North Yorkshire and East Riding LEP, means the question of geography is now resolved. I would therefore ask Government to confirm the allocation of capacity funding so that we can achieve a smooth transition to new LEP arrangements while also developing an ambitious local inclusive industrial strategy for our area.

I look forward to working with you to ensure that these new arrangements realise Government's ambitions for strengthened local enterprise partnerships, which play an even greater part in an economically thriving UK that works for all parts of the country.

Yours sincerely



Roger Marsh OBE
Chair, Leeds City Region Enterprise Partnership

cc: *David Kerfoot MBE, Chair York, North Yorkshire & East Riding LEP*

Agenda Item 6



Ministry of Housing,
Communities &
Local Government

Rt Hon James Brokenshire MP Appendix 2
*Secretary of State for Housing, Communities and
Local Government*

**Ministry of Housing, Communities and Local
Government**

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2 Marsham Street
London SW1P 4DF

Tel: 0303 444 3450

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www.gov.uk/mhclg

3 December 2018

Mr Roger Marsh OBE
Wellington House
40-50 Wellington Street
Leeds
LS1 2DE

Dear Roger,

Copied to: Ben Still

I am delighted to see how you have positively addressed the recommendations from the LEP review. Thank you in particular for providing your geography proposal on 28 September and for submitting your implementation plans on 31 October.

LEPs will play a leading role in developing Local Industrial Strategies and delivering the UK Shared Prosperity Fund. As announced in the *Strengthened Local Enterprise Partnerships* publication, we are making up to £200,000 available in 2018-19 to each LEP to fund a timely and effective implementation of the LEP review, and the development of an evidence base for Local Industrial Strategies. We will be confirming your allocation shortly.

We are continuing to work with those LEPs that have not responded to the recommendations in full. Where overlaps are unresolved, LEPs will not benefit from the UK Shared Prosperity Fund.

Whilst I recognise the good progress you have already made through your implementation plans, you should keep working to ensure that all of the recommendations are delivered in full. My officials from the Cities and Local Growth Unit will support you with this.

To confirm our expectations moving forward, this year's performance reviews are based on the existing assurance framework that was published in 2016; with additional requirements following the Mary Ney review. I intend to publish a revised National Assurance Framework in December that reflects the changes outlined in the review and LEPs will therefore need to have fully implemented these changes by April if they are to be compliant and able to receive funding in the 2019/20 financial year.

I am looking forward to 2019 and the opportunities to extend all our efforts to drive local growth across the country.

51

RT HON JAMES BROKENSHERE MP

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

Recruitment Procedure for Private Sector Representatives

1. Introduction

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

2. Diversity

- 2.1 It is recognised that the composition of representatives on the LEP is important as a breadth of interests must be taken into consideration to ensure that growth strategies are relevant, representative and widely supported across the Leeds City Region. The aim of each recruitment exercise is to promote and achieve private sector representation that reflects the diversity, industry and geography of the region.
- 2.2 The LEP's Equality and Diversity Policy (including Diversity Statement) sets out how the LEP is committed to promoting diversity and equality of opportunity including in relation to the representatives on the LEP. All recruitment exercises will be carried out in accordance with the LEP's Equality and Diversity Policy.

3. Eligibility

- 3.1 A private sector representative must
- live or work within the Leeds City Region, and
 - be (or have been) employed by an organisation **not** included as central government, local government or a public corporate as defined for the UK National Accounts.¹
- 3.2 No person may act as a private sector representative if
- they are the subject of a bankruptcy restrictions order, an interim bankruptcy restrictions order, a debt relief restrictions order or interim debt relief restrictions order under Schedule 4ZB of the Insolvency Act 1986, or
 - during the 5 years prior to the date of appointment, they have been convicted of any offence and been sentenced to imprisonment (whether suspended or not) for a period of not less than 3 months without the option of a fine, or
 - they have an incapacity imposed under Part III of the Representation of the People Act 1983 having been convicted of a corrupt or illegal practice, or
 - they are an officer or servant of the Combined Authority or a Combined Authority subsidiary (within the meaning of the Transport Act 1962),
 - they are currently employed in the public sector (that is, by an organisation included as central government, local government or a public corporate as defined for the UK National Accounts).

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

- 4.1 A full media backed recruitment campaign will take place every two years in respect of private sector representation on the LEP and on any Panel of the Combined Authority.
- 4.2 A role profile for private sector representatives will be approved by the Combined Authority's Managing Director in consultation with the LEP Chair before the start of each recruitment campaign.
- 4.3 This opportunity will be advertised openly on a variety of platforms, to ensure that people across the business community have an opportunity to apply. This will include local and regional press as well as via the Combined Authority/LEP digital channels and both existing and potential new networks, including consideration of appropriate channels for specific equality and diversity objectives. Senior business leaders, stakeholders and Chief Executives across the Leeds City Region will also be encouraged to share

¹ Higher Education or Further Education Institutions are not classified as public sector organisations for this purpose. Public Sector Classifications can be viewed on the Office for National Statistics website [here](#)

this opportunity with their extensive networks to ensure every effort is made to capture networks, contacts and organisations as broad reaching as possible to actively encourage individuals from under-represented groups to apply.

- 4.4 The Combined Authority's Head of Corporate Communications and Engagement in consultation with the Senior Executive Support Officer (Private Sector Relationship Manager) will compose an appropriate advertisement and agree a suitable deadline for applications.
- 4.5 Applications will be received online via the "Board Recruitment" email inbox which will be monitored and maintained by the Private Sector Relationship Manager.
- 4.6 Following the advertised deadline, applications will be reviewed in the first instance by the Combined Authority's Director of Policy, Strategy & Communications, Executive Head of Economic Services and the Private Sector Relationship Manager, to ensure that candidates are eligible for the position and assess suitability against the role profile.
- 4.7 The LEP Chair and Managing Director will agree a short-list of candidates, who will then be invited to meet with an interview panel. The interview panel for private sector representatives will consist of
 - the LEP Chair,
 - a private sector representative, and
 - a local authority representative.
- 4.8 Appropriate Combined Authority officers will attend the interview, to advise only.
- 4.9 Before the interview, each shortlisted candidate will be asked to provide contact details for two referees. The Private Sector Relationship Manager will then request references for each candidate.
- 4.10 With the LEP Chair's consent, Panel Chairs may interview potential candidates for their respective Panel. The appropriate Panel lead officer will attend in support.
- 4.11 Each candidate will be assessed by the interview panel on merit, based on aptitude and ability assessed against the role profile for the position, taking into account their application, interview and references.
- 4.12 In respect of private sector representatives on the LEP, the Managing Director will report the recommendations of any interview panel to the LEP, which will make any appointment. Successful candidates to the LEP will be notified by the LEP Chair.
- 4.13 In respect of private sector representatives on any Panel, the Managing Director will report the recommendations of any interview panel to the LEP for

consideration and recommendation to the Combined Authority, which will make any appointment. Successful candidates will be notified by the Panel Chair or the Private Sector Relationship Manager.

5. Private Sector Reserve

- 5.1 Where the number of suitable candidates exceeds the number of vacancies, any suitable candidate who is not appointed to a vacancy will be given the opportunity to join a Private Sector Reserve which will remain in place until the next recruitment campaign².
- 5.2 Should a vacancy arise for a private sector representative at any time between each full campaign, then the Private Sector Relationship Manager will invite Expressions of Interest (Eoi) from the individuals in the Private Sector Reserve to fill this vacancy.
- 5.3 The Private Sector Relationship Manager will also invite an Eoi from all existing private sector representatives in relation to any vacancy, in case they wish to be considered for that vacancy.
- 5.4 Where any Eoi is received:
 - In respect of vacancies for private sector representatives on the LEP, the LEP Chair will consider any Eois and meet with any candidates to assess their suitability for the particular position.
 - In respect of vacancies for private sector representatives on a Panel, the appropriate Panel Chair will consider any Eois and meet with any candidates to assess their suitability for the particular position, with the relevant Panel lead officer in support.
- 5.5 If no Eois are submitted, new applicants will be sought via a recruitment campaign with the vacancy being advertised on the LEP and Combined Authority web-sites, and any another appropriate website and social media. The vacancy will be advertised for a minimum of 14 days, and the process set out in paragraphs 4.4 – 4.9 above followed.
- 5.6 In respect of private sector representatives on the LEP, the Managing Director will report recommendations to the LEP, which will make any appointment. Successful candidates to the LEP will be notified by the LEP Chair.
- 5.7 In respect of private sector representatives on any Panel, the Managing Director will report any recommendations to the LEP for consideration and recommendation to the Combined Authority, which will make any appointment. Successful candidates will be notified by either the Panel Chair or the Private Sector Relationship Manager on their behalf.

² Their original application and any other details held for them will be held until the next recruitment campaign.

6. LEP & Panel Composition & Conditions

- 6.1 Each private sector representative is appointed with the expectation that they remain in the same or similar role and industry for the duration of their office. They must advise the Private Sector Relationship Manager of any changes in their employment, within 7 days.
- 6.2 The LEP Chair and Panel Chairs will periodically meet with private sector representatives, and any proposed changes in employment/sector focus should be discussed at that time.
- 6.3 Subject to approval by the Combined Authority, a private sector representative may be appointed to more than one Panel, or appointed to a different Panel, should their sector focus change or their knowledge or experience be better utilised elsewhere.
- 6.4 A private sector representative must also advise the Private Sector Relationship Manager as soon as reasonably practicable if they are no longer eligible to act as a private sector representative, for example, if they become employed in the public sector - see paragraph 3 above.

7. Recruitment and appointment of the LEP Chair

- 7.1 The LEP's Constitution provides for the Chair to be a private sector representative.
- 7.2 Where a vacancy arises (or is due to arise) in the position of LEP Chair, the role profile for the position will be reviewed and approved by the Combined Authority's Managing Director before the start of each recruitment campaign, further to engagement with the business community through the LEP's Business Communications Group.
- 7.3 The Combined Authority's Head of Corporate Communications and Engagement in consultation with the Senior Executive Support Officer (Private Sector Relationship Manager) will compose an appropriate advertisement and agree a suitable deadline for applications, further to engagement with the business community, through the LEP's Business Communications Group.
- 7.4 This opportunity will be advertised openly on a variety of platforms, to ensure that people across the business community have an opportunity to apply. This will include local and regional press as well as via the Combined Authority/LEP digital channels and both existing and potential new networks, including consideration of appropriate channels for specific equality and diversity objectives. Senior business leaders, stakeholders and Chief Executives across the Leeds City Region will be encouraged to also share this opportunity with their extensive networks to ensure every effort is made to capture networks, contacts and organisations as broad reaching as possible to actively encourage individuals from under-represented groups to apply.

- 7.5 In addition to the media backed recruitment campaign, extensive, wide reaching and transparent engagement with the business community via press, social media and the Business Communications Group will take place.
- 7.6 The vacancy will also be published on the Government's Centre for Public Appointments website.
- 7.7 Applications will be received online via the "Board Recruitment" email inbox which will be monitored and maintained by the Private Sector Relationship Manager.
- 7.8 Following the advertised deadline, applications will be reviewed in the first instance by the Combined Authority's Director of Policy, Strategy & Communications, Executive Head of Economic Services and the Private Sector Relationship Manager, to ensure that candidates are eligible for the position and assess suitability against the role profile.
- 7.9 The Managing Director will agree a short-list of candidates, who will then be invited to meet with an interview panel. The interview panel will as a minimum include:
- a private sector representative who is not a member of the LEP, and
 - a local authority representative.
- 7.10 Appropriate Combined Authority officers will attend the interview, to advise only.
- 7.11 Before the interview, each shortlisted candidate will be asked to provide contact details for two referees. The Private Sector Relationship Manager will then request references for each candidate.
- 7.12 Each candidate will be assessed by the interview panel on merit, based on aptitude and ability assessed against the role profile for the position, taking into account their application, interview and references.
- 7.13 The interview panel will make recommendations to the LEP with regard to the appointment of a LEP Chair.
- 7.14 The LEP Chair's term will be in accordance with the LEP Constitution.
- 7.15 The terms of their appointment will be set out in an appointment letter from the Combined Authority to the LEP Chair.

8. Panel Chairs

- 8.1 The Managing Director may seek recommendations from the LEP relating to the appointment of any private sector representative as a Panel Chair at any time. Any recommendations will be considered by the Combined Authority, which will appoint the Panel Chair.

9. Induction and Training

- 9.1 Appropriate training and induction is provided to all representatives, including private sector representatives. Further training will also be provided throughout their term, including diversity training and briefings on new developments, as and when required and this will be kept under review in accordance with the Leeds City Region's Assurance Framework.

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **Planning for Growth: The Leeds City Region Connectivity Strategy**

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

Author(s): Tom Gifford

1. Purpose of this report

- 1.1. To provide the LEP Board with an update on the development of the Leeds City Region Connectivity Strategy as considered by the West Yorkshire Combined Authority and Transport Committee.
- 1.2. To note the commencement of a conversation with the public and stakeholders around the new 21st century connectivity and services technologies including Mass Transit required to address the economic and transport challenges facing West Yorkshire, to complement future strategic infrastructure including HS2 and Northern Powerhouse Rail (NPR).
- 1.3. To set out the wider benefits and opportunities which arise as a result of introducing mass transit technologies as part of an integrated connectivity strategy.
- 1.4. To identify a 'business champion' for the Connectivity Strategy & Mass Transit from LEP Board/Panel attendees.

2. Information

Context

- 2.1. In June 2017, the Combined Authority endorsed development of the HS2 Connectivity Strategy and delegated oversight to its development to Transport Committee.
- 2.2. Since this time, Transport Committee have considered and supported the development of the Leeds City Region HS2 Growth Strategy and the associated Leeds City Region HS2 Connectivity Strategy throughout 2017-2018. The most recent update was provided to the 9 November 2018 Transport Committee meeting. Similar updates have also been considered by Leeds City Council Executive Board and Bradford Executive. Feedback received to date has been positive around the work undertaken so far.

- 2.3. The purpose of this report is to provide LEP Board with the latest position, following consideration by Transport Committee on 9 November 2018. In addition, this paper focuses on the Business, regeneration and development opportunities which arise from the proposals.

Summary of the 9 November Transport Committee report

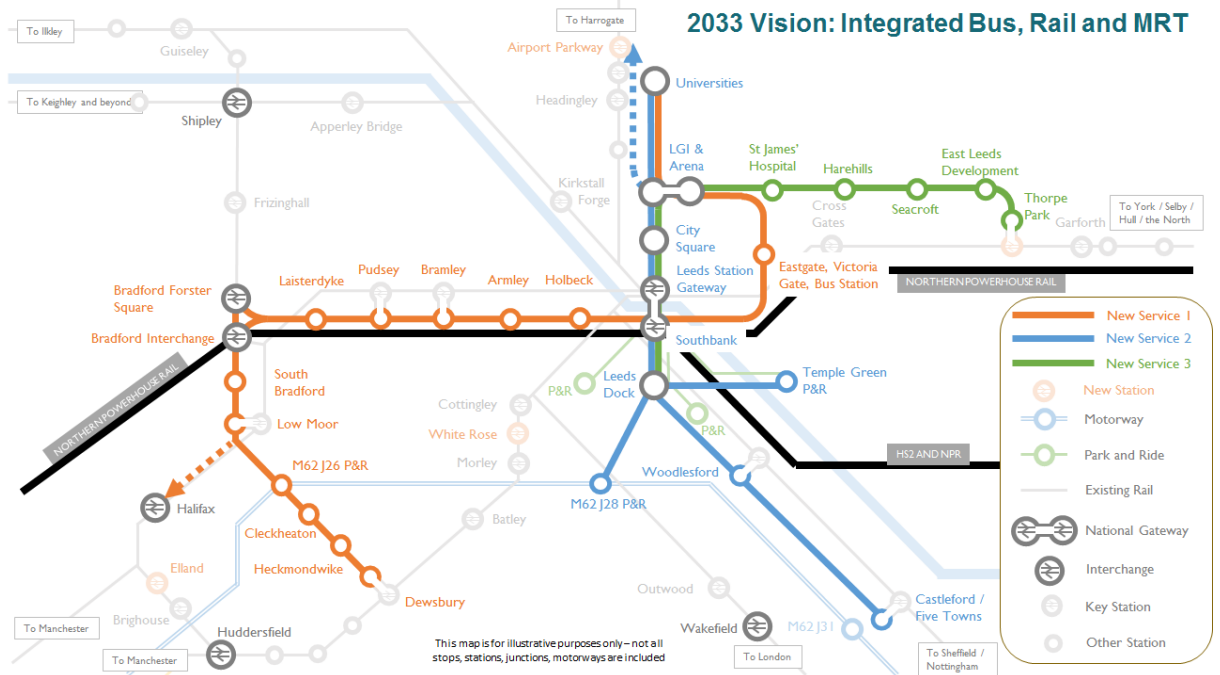
- 2.4. The Transport Committee report is available online¹, with the key points summarised below:

- The report develops the first tranche of Inclusive Growth Corridors (those areas with greatest economic need/opportunity), as identified in the HS2 Connectivity Strategy. The report sets out how transforming connectivity in the communities of greatest economic need will help raise productivity, living standards and improve air quality, thereby helping to deliver Inclusive Growth.
- The conclusions build on the current investment in transport improvements across York, Wakefield, Leeds, Bradford, Calderdale and Kirklees. Significant improvements are already being made through programmes including Connecting Leeds and the West Yorkshire-plus Transport Fund across Walking, Cycling, Bus and Rail.
- This report seeks to ‘commence a conversation’ on future solutions to future capacity requirements and delivering inclusive growth - including maximising the positive impact of strategic transport investments (HS2/NPR).
- Subject to feedback received through the conversation, the proposed City Region Transit Network has the potential to form a key priority for delivery in the timeframe up to HS2 opening in 2033.
- The key ‘places to connect’ for the four corridors examined so far have been identified and are illustrated within Figure 1 below. The work to date proposes three new public transport services to increase capacity between key local urban communities into national hubs – the orange, green and blue lines. Some of these services have the potential to require entirely new infrastructure and whilst complementary to the existing transport system, offer the opportunity to reimagine how other modes such as bus and rail can integrate with it. Together these new services would form the first tranche of the ‘City Region Transit Network’ to open in parallel with HS2 opening in 2033.

¹ The Transport Committee report from 9 November – “Planning For Growth: The Leeds City Region Connectivity Strategy”: Agenda Item 7 (plus appendices):

<https://westyorkshire.moderngov.co.uk/ieListDocuments.aspx?CId=138&MId=730&Ver=4>

Figure 1: 2033 Emerging City Region Transit Network with HS2



- It is important to note that for the proposals set out in Figure 1, detailed alignments, confirmation around mode choice and business case value for money assessments would be developed as part the next stage of development works and would also be informed by feedback and amendments as a result of from the proposed forthcoming engagement. At this stage Figure 1 is intended to illustrate the key communities to connect through transformed connectivity by 2033. It is likely that Mass Transit has an important role to play for some of these services given the scale of demand forecast and the economic needs of these communities.
- Different modes of transport serve different needs and provide different levels of capacity. Technologies have moved forwards significantly in the last decade. For example, new battery technologies, hydrogen propulsion and autonomous innovations are changing advance mass transit vehicle technologies, which also improve air quality. There are a range of pros and cons for each individual vehicle technology option.
- The work undertaken to date and reported to Transport Committee highlights that Mass transit vehicles (i.e. vehicles which can carry between 200-300 people – a vehicle of this size requires a steel rail) are anticipated to be required to meet the capacity need in delivering these new City Region Transit Network services set out in Figure 1.
- With the scale of demand forecast, 'Mass transit vehicles' are anticipated to be required to meet the capacity need in delivering these new City Region Transit Network services. The Mass transit vehicles would be just one element of integrated future pipeline; the system would need to be integrated within the wider public transport offer, for example through bus services feeding the mass transit services. Bus will continue to have a very important role in the transport network.

- This is only the start of the conversation. Through the conversation with stakeholders and the public as well as through the development of the business cases, other modes such Bus Rapid Transit or Tram-Train will continue to be assessed and may be more suitable for example, where there lower levels of capacity are required or where there is direct interface with the heavy rail network respectively.
 - The analytical and evidence based approach applied here is focused on connecting communities in greatest economic need/opportunity. This is the logical and evidenced based next step in the City Region’s plans for transport investment.
 - Significant further development work is required on the City Region Transit Network and would be informed by the conclusions of the forthcoming engagement.
- 2.5. A business case considering all the technology options which meet this need will need to be developed, as part of which are there significant and exciting opportunities to explore linkages to the wider LEP Board around Green Blue Infrastructure, the Energy Strategy, the Hydrogen 21 project and within the ‘Technology for Good’ component of the Digital Framework.

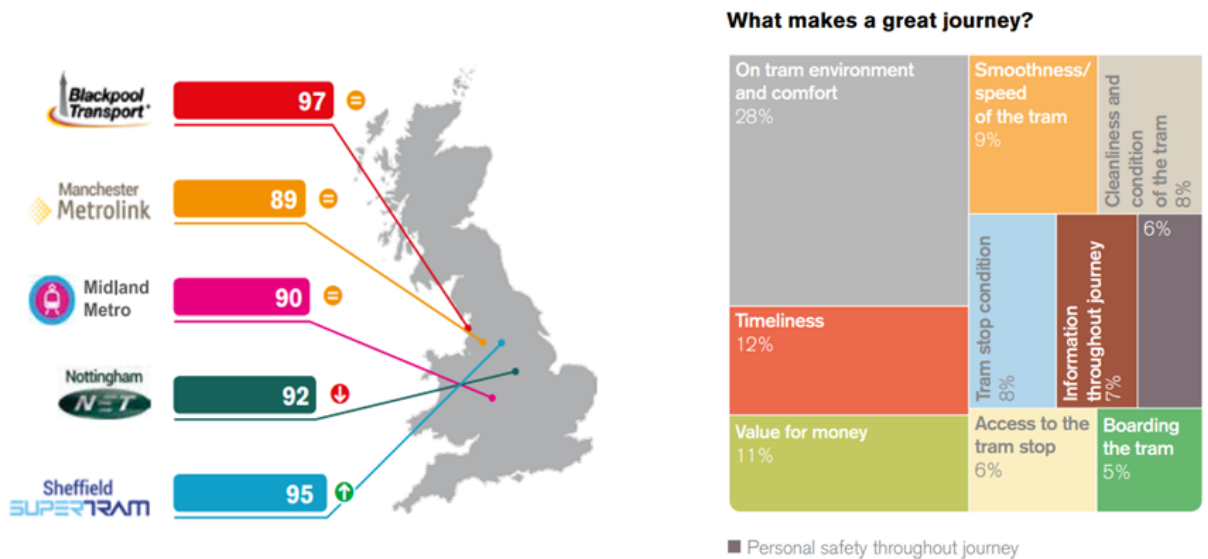
The UK ‘Mass Transit’ Sector

- 2.6. As outlined above, the connectivity strategy for our region has yet to determine the specific modes of technology required to meet the levels of demand, however it is likely that Mass Transit will form part of the solution. This section provides a summary of the current UK Mass Transit sector.
- 2.7. There are 11 modern Mass Transit systems in the British Isles and Ireland, which are served a combination of various Mass Transit vehicles:
- Edinburgh Trams
 - Luas Dublin
 - London Tramlink
 - West Midlands Metro
 - Sheffield Supertram / Tram-Train
 - Manchester Metrolink
 - London Docklands Light Railway (DLR)
 - Tyne And Wear Metro
 - Glasgow SPT Subway
 - Blackpool Tramway
 - Nottingham Trams (‘NET’)
- 2.8. Together, these systems have seen significant capital investments and expansion, with billions cumulatively invested by Government and the private sectors in their technologies over the last 5 years alone. Every single one of these systems is planning and / or currently constructing further network expansions, as it set out in the Appendix 1.
- 2.9. Department for Transport statistics illustrate that patronage continues to grow across each of these system. The past decade has seen total passenger journeys increase by around 45% to, a recording 275 million passengers in 2016/17. The Nottingham and Edinburgh systems are seeing 10% year on

year patronage growth – as is the case with heavy rail, demand for mass transit is growing.

- 2.10. In addition, passenger satisfaction with these existing mass transit systems is much higher than with bus based alternatives. Department for Transport / Transport Focus research highlights that customer satisfaction for mass transit systems is well ahead of other forms of public transport including on bus. *“Overall tram passenger satisfaction remains high at 91 per cent. The key factor that drives the passenger’s view of either a satisfactory, or that much-valued great journey, is the comfort and environment of the vehicle.”²*

Figure 2: Passenger Satisfaction with existing systems³



- 2.11. The opportunity for this region is to invest in technology to deliver a system which has the following characteristics and provides:

- High capacity vehicles which can carry high numbers of people directly to and from key employment, leisure and housing locations and can operate regular, high frequency services on the busiest stretches of track.
- Fast, reliable journeys using a combination of off-street running and on-street priority measures.
- High quality, easily accessible vehicles providing passengers with a feeling of quality and a comfortable ride, include air conditioning, smooth journeys, and a low floor throughout, and quick, convenient boarding for multiple doors.
- Penetration into city centre streets, with frequent stops, providing a high degree of accessibility to key sites.
- Strong levels of popularity with passengers

² <http://d3cez36w5wymxj.cloudfront.net/wp-content/uploads/2018/03/20110417/TPS-autumn-2017-key-findings-report-V2.pdf>

³ <http://d3cez36w5wymxj.cloudfront.net/wp-content/uploads/2018/03/20110417/TPS-autumn-2017-key-findings-report-V2.pdf>

- Environmental and air quality outcomes which help meet our Green/Blue Energy Strategy outcomes:
- Higher quality urban realm, attracting new visitors, new investment and changing the overall perception of urban areas, for example:
 - In Croydon, surveys of residents and businesses before the opening of Tramlink suggest that many viewed Croydon as in decline. After the opening, most saw the area as experiencing regeneration and expansion.
 - In Manchester, the successful regeneration of Salford Quays has only been possible with Metrolink connecting the former industrial area to the centre of the city. The Salford Quays extension cost £150 million but created over 3,000 permanent jobs, stimulated £60 million of investment by business and boosted the economy of Greater Manchester by £70 million a year.
- Greater access to labour markets, supporting business growth: There are a number of examples where businesses are located near to Mass Transit schemes can benefit from being more accessible to customers and having greater access to labour markets to support growth and expansion. High quality transport schemes are proven to improve labour market performance, help attract inward investment and create an improved quality of life.

2.12. There is much evidence that almost all of the UK schemes have built up a strong positive image since opening. There is also evidence that the improved image has, in turn, contributed to attracting inward investment as well as business and in some areas tourist visitors. While the improvement to a city's image is clear, identifying what economic benefits have been delivered is very difficult. This is because investment in mass transit is usually one of a package of measures aimed at tackling economic decline and because it is impossible to know what would have happened without the intervention.

Benefits to Businesses from Transforming Connectivity

- 2.13. The ways businesses can benefit from a mass transit scheme include:
- Better access for their customers, and increased catchment areas;
 - Better access to labour markets to support the growth and expansion of businesses;
 - Investment decisions could be made more quickly and with more confidence given the commitment to improved public transport; and
 - Increased development activity was felt to bring a “buzz” to an area and, while not necessarily attributed to the mass transit schemes directly, was certainly identified with them.

- Kick-starting development of sites that had remained undeveloped for many years;
- Improving the attractiveness of residential areas through better access to jobs, shopping and other facilities;
- Halting the out-migration of residents from areas previously in decline;
- Increasing the area in which job-seekers have been able to search for jobs; and
- Channelling commercial and leisure developments to sites adjacent to stops.

Business Champion

- 2.14. With the scale of opportunity which exists for our Region, and the potential benefits for economic growth, the private sector has an important role in shaping, influencing and championing the connectivity strategy. This report therefore proposes that there be a 'Business Champion' for the connectivity strategy moving forward.
- 2.15. The Business Champion could be someone who attends either the LEP Board or a Panel, or a senior business person who is well connected within the transport sector for example. Crucially, they would have a strong interest in delivering innovative and transformational future connectivity solutions for the region. The scope and scale of the role is flexible and can be tailored/developed in coordination with the LEP Board chair and officers. However, it is envisaged that the Business Champion would develop a good understanding of connectivity strategy and would work in partnership with Council Leaders and the Chair of Transport Committee, to shape, share and advocate the work within the business community. This could include for example representing the work at events such as MIPIM, with Chambers of commerce or with private sector companies, to help support and encourage inward investment in the region. The role be reviewed after 12 months.

3. Financial Implications

- 3.1. There are no direct financial implications from the report, however, the pipeline outlined in the Transport Committee report have high value and high cost. A funding strategy for the emerging schemes identified here is essential and will be developed as part of the next stages of development.

4. Legal Implications

- 4.1 None as a result of this report.

5. Staffing Implications

- 5.1. Development work has been undertaken within the West Yorkshire Combined Authority Transport Policy Team in partnership with partner district authorities.

6. External Consultees

- 6.1. The development of this report has reflected feedback and input from district partners.
- 6.2. Transport Committee endorsed the Connectivity Strategy report on 9 November, as have Leeds City Council Executive Board and Bradford Executive at their meetings on 21 November and 4 December respectively.

7. Recommendations

- 7.1. That LEP Board note the update on the development of the Leeds City Region Connectivity Strategy as considered by the West Yorkshire Combined Authority and Transport Committee.
- 7.2. That the LEP Board note the commencement of a conversation with the public and stakeholders around the new 21st century connectivity and services technologies required to address the economic and transport challenges facing West Yorkshire, to complement future strategic infrastructure including HS2 and Northern Powerhouse Rail (NPR).
- 7.3. That LEP Board consider the wider benefits and opportunities which arise as a result of introducing mass transit technologies as part of an integrated connectivity strategy.
- 7.4. That LEP Board agree the proposal for a 'Business Champion' for the Connectivity Strategy & Mass Transit.

8. Background Documents

9 November 2018: Transport Committee – “Planning For Growth: The Leeds City Region Connectivity Strategy”: Agenda Item 7 (plus appendices):<https://westyorkshire.moderngov.co.uk/ieListDocuments.aspx?CategoryId=138&MId=730&Ver=4>

21 November 2018: Leeds City Council Executive Board: Leeds City Region Connectivity Strategy and Connecting Leeds Update”:
<https://democracy.leeds.gov.uk/documents/s182294/Connectivity%20Strategy%20Cover%20Report%20121118.pdf>

4 December 2018: Bradford Executive: Planning for Growth: The Leeds City Region Connectivity Strategy:
<https://bradford.moderngov.co.uk/documents/s23978/Document%20AD.pdf>

13 December 2018: West Yorkshire Combined Authority meeting: Planning for Growth: The Leeds City Region Connectivity Strategy:
<https://westyorkshire.moderngov.co.uk/documents/s10082/Item%207%20-%20Planning%20for%20Growth%20-%20The%20Leeds%20City%20Region%20Connectivity%20Strategy.pdf>

9. Appendices

Appendix 1: Summary of Existing UK systems

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Appendix 1: Summary of Existing Mass Transit Networks

Financial year 2017/18	Passenger trips (Millions)	Stops / Stations	Vehicles in service	Annual Revenue	Notes / Extensions
Nottingham Express Transit	17.8	50	37	£19.1m	<ul style="list-style-type: none"> £450m NET2 extension recently opened Further extension planned through TCF
Midland Metro	5.7	26	21	£9.8m	<ul style="list-style-type: none"> £1.3billion extension programme in procurement/construction through 6 extensions to network
Sheffield Supertram	12.3	48	32	£13.9m	<ul style="list-style-type: none"> £75m Tram-Train extension recently opened. Additional vehicles purchased
Tyne and Wear Metro	36.4	60	90	£50.9m	<ul style="list-style-type: none"> £1billion route and vehicle placement procurement currently underway
Manchester Metrolink	41.2	93	120	£74.8m	<ul style="list-style-type: none"> Phase 1: £275m (Bury, Altrincham and Manchester city centre) Phase 2: £245m (Salford Quays, Eccles) Phase 3: £755m (now in operation) Additional vehicles purchased through TCF (c. £ £80m) £350m Trafford Park extension currently under construction Further extension through Airport planned Tram-Train extensions under consideration
Blackpool Tramway	5.2	39	28	£6.7m	<ul style="list-style-type: none"> £85m full modernisation undertaken in recent years with new vehicles. £22m Extension to Blackpool north in construction. Further extension to Airport planned.
Docklands Light Railway	119.6	45	149	£172.2m	
London Tramlink	29.1	39	35	£24.1m	<ul style="list-style-type: none"> London Tramlink commenced a Wimbledon service in April 2016 utilising a new vehicles
England	267.2	400	512	£371.5m	

Source: Based on publically available information and DfT Statistics

Appendix 1: Summary of Existing Mass Transit Networks

Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **Enterprise Zones**

Director: Kate Thompson, Enterprise Zone SRO

Author(s): Kate Thompson

1. Purpose of this report

- 1.1 To consider a new delivery option to facilitate acceleration of the Enterprise Zone programme as detailed in exempt Appendices 1 and 2.

2. Information

- 2.1 The Leeds City Region Enterprise Zone programme includes two Enterprise Zone (EZ) designations, comprising ten sites as follows:

- a) Leeds City Region Enterprise Zone Phase One - Leeds, including Newmarket Lane, Thornes Farm, Logic Leeds and Gateway 45/Temple Green
- b) Leeds City Region Enterprise Zone Phase Two - multi-site: Gain Lane, Parry Lane and Staithgate Lane (Bradford), Clifton Business Park (Calderdale), Lindley Moor East, Lindley Moor West and Moor Park, Mirfield (Kirklees), Lanthwaite Business Park Extension and South Kirkby Business Park (Wakefield).

- 2.2 The Leeds City Region Enterprise Zones Strategy and Implementation Plan was endorsed by the LEP Board in April 2017. This set out the vision and overarching objectives for delivery and the basis for the investment strategy as:

- Unlocking, enabling and accelerating site development
- Delivering high quality business and job growth
- Maximising the efficient use of sites and delivering high quality development

In addition the EZ programme has the ability to raise business rates through new commercial space which can be reinvested into other core economic activity within the City Region.

- 2.3 Currently the EZ programme has an indicative capital funding approval of £45.044m to be invested in accelerating delivery on the phase 2 sites as well as enhancing power supply on phase 1. The funding comprises £20m Local

Growth Fund (LGF) and £24.939m from over-programming against LGF. Due to the time window set by central Government for delivery and spend of Growth Deal objectives, this funding is only available for draw down until 31 March 2021. In addition the occupier incentives that come with EZ designation are only applicable for new businesses entering the phase 2 EZ sites by 31 March 2020. For the Phase 2 sites the incentives include up to 100% Business Rate Discount of up to £275,000 over a five year period.

- 2.4 The EZ programme team is currently reviewing options to bring forward sites at pace so that strategic objectives can be achieved within the funding window. Details can be found in **Exempt Appendices 1 and 2**.

3. Financial Implications

- 3.1 Indicative financial implications are detailed in para 2.3 above and in Exempt Appendix 2.

4. Legal Implications

- 4.1 The information contained in Appendices 1 and 2 is exempt under paragraph 3, Part 1 Section B of the Access to Information Annex to the LEP Board Procedure Rules as it contains information relating to the financial or business affairs of any person (including the LEP, the Combined Authority or any other local authority). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication at this time could prejudice current and future decision making.

5. Staffing Implications

- 5.1 The EZ programme has a dedicated programme management team comprising one Development Manager and one Project Manager, together with a part-time Senior Responsible Officer.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That the LEP Board consider the recommendations relating to a new delivery option to facilitate acceleration of the Enterprise Zone programme as set out at paras 3.1 and 3.2 of Exempt Appendix 1.

8. Background Documents

None.

9. Appendices

Exempt Appendices 1 & 2 – Enterprise Zone Acceleration

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Report to: Leeds City Region Enterprise Partnership Board (LEP)

Date: 23 January 2019

Subject: **Leeds City Region Local Assurance Framework Review**

Director: Melanie Corcoran, Director of Delivery

Author(s): Rachel Jones / Dave Haskins

1. Purpose of this report

- 1.1 To provide the Leeds City Region Enterprise Partnership Board (the LEP) with an update on progress relating to changes proposed to the Leeds City Region Local Assurance Framework arising from its annual review, and with the recently issued review of the National Assurance Framework (January 2019) and the Strengthened Local Enterprise Partnership report (July 2018).
- 1.2 To ask the LEP Board to provide feedback on the updated assurance requirements, and to note the reasons why the review is being undertaken.
- 1.3 To ask the LEP Board to delegate authority to the Chair of the LEP Board to approve submission of the Assurance Framework.

2. Information

- 2.1 In view of the growing levels of investment and funding under local control or influence, it is essential that there are robust, transparent and accountable processes in place to ensure value for money for the public purse.
- 2.2 As part of the Growth Deal with Government, a Local Assurance Framework was developed in 2015 to cover all funding flowing through the LEP. The Combined Authority, as the accountable body for the LEP, is also covered by this framework, which is updated on an annual basis.
- 2.3 The Combined Authority's existing Local Assurance Framework was approved by the LEP Board in January 2018 and by the Combined Authority as the accountable body in February 2018. It is the key mechanism to ensure that there are robust processes in place to support the developing confidence in delegating central budgets and programmes to the LEP and the Combined Authority. It covers all significant discretionary projects and programmes funded from Government or local sources that flow through the LEP and the Combined Authority, and has been prepared in accordance with HM Government National Assurance Framework guidance (2018), and builds on a body of existing good practice. The LEP has to comply with this guidance for

the relevant funding streams, but the principles are also applied to the Combined Authority as the accountable body for the LEP in the wider sense.

- 2.4 The Assurance Framework must be published on each Local Enterprise Partnership's website, and reviewed annually. A revision to the 2016 "Local Enterprise Partnership National Assurance Framework" Guidance was published by MHCLG in early January 2019. This has brought in a set of new requirements, which will be incorporated into this ongoing review. Our Local Assurance Framework is already compliant with a number of these requirements. Additionally, the recent 'Strengthened Local Enterprise Partnership' report sets out a number of Government commitments alongside a number of additional changes that Government will work with Local Enterprise Partnerships to implement. This is being addressed within the National Assurance Framework, and has implications for our Local Assurance Framework, both for this review and the review for 2020, relating to the revisions to LEP geography.
- 2.5 Changes for 2019 include:
- Requirement for the LEPs to set out arrangements regarding data protection, following introduction of the General Data Protection Regulations (GDPR)
 - A new requirement for LEPs to set out how contracts are managed and the LEP Board kept informed of progress
 - Further detail regarding the roles and responsibilities of the LEPs, and Section 151/73 Officers
 - Detail to specify the role that is responsible for certain tasks, including ensuring value for money and scrutiny and recommendation for business cases, the final sign off for funding decisions and a named diversity champion.
- 2.6 Other changes required to our Assurance Framework include an update to the delegated authority to reflect the changes to Investment Committee, and an update to reflect recent changes to stage 1 of our assurance process.
- 2.7 Section 151/Section 73 Officers are required to write to HM Government by 31 March 2019, ahead of next year's Local Growth Fund payment, to certify that our Local Assurance Framework is compliant with the national framework.
- 2.8 A revised version of the document is now being developed, to take account of changes to the Combined Authority Assurance Process and recent review of the National Assurance Framework. The scope of the revised Local Assurance Framework remains broadly unchanged to the existing document, and is as follows:
- updated detail on the LEP's governance and decision-making arrangements and processes for accountable and transparent decision-making to ensure the proper use and administration of funding;
 - information on how the LEP will prioritise and appraise schemes, facilitate business case development and undertake risk management; and

- a description of the arrangements for supporting the effective development, appraisal and delivery and implementation of projects and programmes, including relationships with delivery bodies.

Next Steps

- 2.9 A draft of the Local Assurance Framework will be presented for approval by the Combined Authority at its meeting on 14 February 2019. A final draft version of the report will be presented to the LEP Board for approval on 26 March 2019.
- 2.10 It is the responsibility of the Director of Resources, as the Combined Authority's Section 73 Officer (the Chief Finance Officer) to write to HMG ahead of the 2019 Local Growth Fund payments to certify that the Local Assurance Framework has been agreed, is being implemented, and meets the standards set out in the National Assurance Framework.
- 2.11 It is envisaged that further changes will need to be made to the Local Assurance Framework as more projects move through the appraisal process, to reflect any future updates to guidance, feedback from the "Annual Conversation" with Government and as an evolution to the process as more projects are progressed.
- 2.12 It should be noted that a major re-write will be required for 2020, to take account of the North and West Yorkshire LEP merger. This will require considerable resource and will lead to significantly longer lead in times. This is the subject to a separate report to the LEP Board meeting.
- 2.13 Subject to further changes being required, an update to the Local Assurance Framework will be brought to the LEP Board and the Combined Authority on an annual basis.

3. Financial Implications

- 3.1 None.

4. Legal Implications

- 4.1 None.

5. Staffing Implications

- 5.1 None.

6. External Consultees

- 6.1 None.

7. Recommendations

7.1 The LEP Board is asked to:

- (i) Note that the Leeds City Region Local Assurance Framework is being revised for the reasons set out in this report.
- (ii) Provide feedback on the updated assurance requirements.
- (iii) Delegate authority to the Chair of the LEP Board to approve submission of the Assurance Framework.

8. Background Documents

8.1 There are no background documents.

9. Appendices

9.1 None.



Report to: Leeds City Region Enterprise Partnership Board (LEP)

Date: 23 January 2019

Subject: **Preparing for Brexit**

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

Author(s): Patrick Bowes

1 Purpose of this report

- 1.1 To provide an update on the latest economic and business intelligence for the Board and to consider the key messages from this as the UK prepares to leave the European Union.
- 1.2 To update the LEP Board on ongoing work to prepare and support the city region's businesses and communities ahead of the UK's withdrawal from the EU.

2 Information

- 2.1 This report presents the latest headline trends and developments in the global, national and local economies (a detailed update of the Board Quarterly Economic report will be presented to the Board at their meeting on the 23/03/19).
- 2.2 The report highlights ongoing organisational work to refine and develop the LEP's messaging and engagement around Brexit preparations to support the city region's businesses and communities.

Main national and city region economic headlines

- 2.3 The main national and international headlines include:
 - There has been significant volatility in sterling following from the postponement of the House Commons vote on the UK's EU transition deal despite rallying following the announcement of a deal, sterling was trading some 13% below its pre-referendum value at the end of 2018 and had seen similar falls against the dollar.
 - New labour market data (covering the period August to October) shows that the UK labour market continues to expand (despite wider macro-economic volatility) with the headline rate of employment climbing to 75.7% by October (the highest since labour market records began in 1971). At

national level total employment rose by 79,000 in the three months to October compared to the quarter prior to this – with most of this increase driven by a rise in full time employment. Wages are also growing at a solid pace compared to recent years, increasing by 3.3% in October.

- Inflation fell to 2.3% in November – its lowest level for almost two years and significantly below its peak of 2.8% in November 2017. Falling fuel and oil prices have been a significant factor in this.
- The latest survey from the CBI shows an upturn in orders for UK manufacturers on the back of increased export demand in November. The Markit PMI manufacturing survey also reported an increase in activity, though the export picture was more mixed. There is a sense that some of this increase in activity is a result of firms building their inventories ahead of any potential supply disruption in the event of leaving the UK without a deal.
- The service sector continues to report a slowdown, with expansion at its lowest pace in two and a half years according to the latest PMI. Brexit uncertainty has led to consumers and businesses cutting back spending, according to the survey.

Brexit commentary and assessment

2.4 Working closely with the city region's Chambers of Commerce the LEP deployed a series of questions on the Q4 Quarterly Economic Survey designed to ascertain how our business are preparing for a range of Brexit transition outcomes, key insights from the survey show that:

- Manufacturers across Leeds City Region reported a slowdown on most indicators in Q4 2018, though sales activity was more resilient in the service sector. Despite this, companies continue to seek to expand their headcount though skills shortages remain a challenge and the time taken to fill vacancies has lengthened.
- Profitability expectations declined among manufacturers, having been resilient through most of 2018. The fall was less marked for the service sector but the longer term trend remains downward.
- 61% of respondents say they have devoted management time to considering the implications of Brexit on their business, and 45% say they have mapped their supplier and customer base and considered how changes to the trade relationship could affect them.
- 10% of businesses have made changes to their strategies or operational model already in response to Brexit. 15% are planning to make changes prior to the UK leaving in March, with the same proportion planning changes post-March. However, 60% of businesses are not planning any changes.

2.5 To support Parliament in its deliberations (when it votes substantively on the UK's transition deal) both HMT and the Bank of England have published

additional economic impact material to set out the potential impacts on the UK economy. The HMT report focuses on the long term potential impacts on the UK economy whilst the BoE report (both published on the 28 November 2018) focuses on the short term impact to the UK economy with the emphasis on financial stability.

- 2.6 Both reports conclude (in both the short and long term) that the impacts on growth would be significant if the UK left the EU under a no deal scenario – HMT concludes that the UK economy could be up 7.7% smaller over the long term compared to the UK’s current arrangements (the Bank calculates that no deal arrangements could trim between 7% to 10% from the UK economy between 2019 to 2020).
- 2.7 It should be noted that both HMT and the BoE have developed a range of modelled scenarios using assumptions to capture the likely scope of the potential economic impacts (this reflects the high degree of uncertainty given the uncharted nature of the potential structural economic forces that might be at work).
- 2.8 The FPC (the Financial Policy Committee of the BoE) has made clear that the 2018 financial system stress tests show the UK banking system is strong enough to serve the needs of UK households and businesses in the event of a no deal Brexit. The Bank goes on to conclude that the implementation period built into the agreed transition deal will mitigate most near term financial stability risks to the UK economy.
- 2.9 The HMT work is a more detailed assessment of the trade, migration and regulatory effects across 5 core scenarios (the July White Paper “The Future Relationship between the UK and the European Union”, EEA membership, Free Trade Arrangements and no deal arrangements) – it should be noted that all these scenarios would imply the UK’s long run growth would be lower compared to the UK’s current arrangements. This work concluded that the policy position set out by the government in its White Paper would have the least impact on long run UK growth with average annual growth 0.6% lower.
- 2.10 The HMT work also included some regional level modelling across the policy scenarios analysed – this work concludes that long run GVA in Yorkshire and Humber could be up 8.2% lower in a no deal scenario and up 3.2% lower in the policy position set in the July 2018 White Paper.

Supporting our businesses and maximising funding for growth as the UK transitions for EU membership

- 2.11 Work is ongoing to ensure that Leeds City Region maximises the drawdown of its remaining ESIF allocation (currently estimated at £135 million) – focusing on additional calls for projects and working with the Managing Authority to streamline the business appraisal process for applicants.
- 2.12 Responding to MHCLG enquiries on local preparations for Brexit (a copy of the Combined Authority’s letter to MHCLG is attached at Appendix 1) we have clearly set out that we will be seeking more flexibility on our Growth Deal

funding in order to deploy it at short notice if required (depending on the exact nature of the UK's transition from its EU membership) – where the focus of Growth Deal Funding may need to respond to the imperative to safeguard companies and support existing investments and more support may be needed on skills and training. It is our view that in this situation much greater flexibility in the deployment of Growth Deal monies will be needed. The central message in our engagement with government is that stabilising (where Brexit related volatility may be evident) the city region economy should come ahead of rules around funding pots, and we are seeking Government's agreement to this in principle.

- 2.13 Establishing a cross organisational resource tasked with overseeing, co-ordinating and planning the Combined Authority and Leeds City Region Local Enterprise Partnership response to the UK's exit from the EU. The cross organisational team that will support this work will be led Alan Reiss, Director of Strategy, Policy and Communications. The group is developing a forward work plan and will review all internal and external intelligence on key Brexit issues making recommendations as required to develop the organisations marketing and support packages to businesses and communities.
- 2.14 We are working to develop LEP signposting and marketing content resources to ensure that the city region's businesses have access to the latest support packages available from government to prepare businesses for a post Brexit trading model. The current "Europe Checklists" signposting on the "For Business" section of the LEP web site has now been enhanced by the addition of a dedicated "Preparing for Brexit" mini-hub (which went live on the 14/01/19) consolidating a wider range of information and support assets to business in a single resource. The hub will help support some of those 60% of Leeds City Region businesses (see point 2.4) who have not as yet considered the impact of Brexit on their operational model.

Conclusions, implications and next steps

- 2.15 The assessment presented in this paper sets out clearly the progress achieved to date in preparing our businesses and communities for the UK's future trading relationship with the EU and highlights the ongoing work in developing our planning to ensure our packages of support remain relevant depending on the specific nature of the UK's departure from the EU.
- 2.16 The detailed information produced by both the Bank of England and HMT on the economic impact of a range of potential Brexit trajectories has clearly set out for the 1st time the scale of no deal Brexit impact.
- 2.17 The latest national and local economic headlines show the labour market continues to expand but both business and consumer sentiment is clearly starting to falter. The latest Q4 2018 Quarterly Economic Survey with the Chambers of Commerce has clearly show that city regions businesses are now more focused on Brexit related resilience planning compared to a year ago.

3. Financial Implications

There are no financial implications directly arising from this report.

4. Legal Implications

There are no legal implications directly arising from this report.

5. Staffing Implications

There are no staffing implications directly arising from this report.

6. External Consultees

No external consultations have been undertaken.

7. Recommendations

7.1 The LEP Board is asked to note the headline economic update provided in this report and to consider how this relates to the work of the LEP and the Combined Authority in its forward Brexit planning to support the region's businesses and communities.

7.2 That the LEP Board notes the progress made in developing our support to businesses and our ongoing engagement with government.

8. Background Documents

None

9. Appendices

Appendix 1 - WYCA LCR LEP MHCLG Preparations for EU exit Letter response

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Private and Confidential



26 October 2018

Dear Jo,

PREPARATIONS FOR EU EXIT

Thank you for your letter of 19 October regarding preparations for EU exit.

As a Combined Authority alongside Leeds City Region LEP, we are working with our local authorities and other partners to prepare and support the city region's businesses and communities ahead of the UK's withdrawal from the EU, whilst focusing on key areas of opportunity to support the city region's growth ambitions.

In terms of EU exit planning, this has been constrained to a great extent by the uncertainty around deal negotiations and the significant differences that various scenarios present to both the economic and social landscape, as well as the additional resources required to do this alongside existing delivery commitments. However through the Combined Authority's research and intelligence function, policy and formal and informal networks, we are doing as much as possible to prepare for both deal and no deal scenarios. The following key themes of activity are already taking place, or are ongoing, which will assist the organisation to best respond to issues and challenges as they become clarified (most of these are explained in more detail in [a recent West Yorkshire Combined Authority report](#)):

- Support to businesses – using our business support schemes to provide greater resilience (and seeking greater flexibility in the deployment of these funds – see below);
- Skills – product development to support upskilling and meet the needs of businesses specifically impacted by Brexit;
- Investor development – ensuring we have the capacity to respond the needs of key businesses in the city region;

Trade – maximising domestic and international trade opportunities in a new and emerging environment;

- Inward investment – driving investment from key global markets;
- Ensuring continued delivery of European Structural and Investment Funds (ESIF) and leading the region’s input to the shaping of the UK Shared Prosperity Fund - to ensure that Government maximises the fund value for allocation to LEPs and city regions, and minimises strings;
- Developing policy to make sure our response maximises opportunities and keeps up to date with changing issues;
- Monitoring the risks to delivery of the Combined Authority's Transport Services functions, including the supply chains for train and bus assembly and legislation affecting transport operations
- Exploring how procurement may operate in the future, outside of OJEU processes, as this will have an impact on how we deliver particularly large projects and the requirements on state aid. There are particular opportunities that we believe Government should be looking into around ensuring greater local value and less bureaucracy, making procurement easier to access for SMEs.
- Preparing for any new regulations with regards to the employment of EU nationals and ensuring compliance in new recruitment.

In response to your request on what engagement we have had to date with central government departments or their agencies, the Combined Authority has undertaken the following:

- Submitted evidence to the Migration Advisory Committee's investigation into “EEA Workers in the UK Labour Market”
- Briefing on the DEXEU Select Committee meeting in Leeds in June about opportunities and risks to regional economies
- Intensive work with MHCLG on designing the Shared Prosperity Fund, including officers involved in working groups and various informal consultation sessions
- The CA/LEP has, in partnership with DIT, established an investor development team to initiate strategic conversations with specific foreign owned companies that currently do not have an established relationship with Government. This is generating significant firm-level qualitative intelligence, which is being shared with DIT, local authorities and other policymakers.
- Regular discussions between the LEP/CA and regional agent of the Bank of England on economic conditions and business confidence.

- Yorkshire and Humber regional Leaders have also been working closely with the Local Government Association on the issues where councils need clarity in the immediacy of EU exit, which we know are subject to discussion with Government departments.

We will also be seeking more flexibility on our Growth Deal funding in order to deploy it at short notice if required - for example if there is a need to safeguard companies and support investments, and more needed on skills and training. It is our view that any required work to stabilise the city region economy should come ahead of rules around funding pots, and are seeking Government's agreement to this.

As we move closer to either an agreed deal scenario or a no deal exit in March, it would be helpful to have a greater level of engagement with departments on a practical basis. We would welcome the opportunity to engage further with the Ministry of Housing, Communities and Local Government in particular on these matters, and would be happy to host a regional workshop or a separate meeting at the West Yorkshire Combined Authority.

Yours faithfully,

Ben Still
Managing Director, West Yorkshire Combined Authority

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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 23 January 2019

Subject: **LEP and Combined Authority Business Planning and Budget 2019/20**

Director: Angela Taylor, Director, Resources

Author(s): Angela Taylor and Jon Sheard

1. Purpose

- 1.1 To advise the LEP Board of the work underway to progress business and budget planning for 2019/20.

2. Information

- 2.1 At its last meeting the Board received a report outlining the business planning and budget setting process for 2019/20. The Combined Authority received an update on the draft budget proposals for 2019/20 at its meeting 13 December 2018. That report and its appendices are attached at **Appendices 1-3** for information, of which appendix 2 sets out the latest version of the business plan for the organisation, showing for each directorate its income and expenditure and the services and priorities it will deliver with that funding.
- 2.2 The Combined Authority recognises the difficult funding position facing local authorities as they await the outcome of the fair funding review and comprehensive spending review in 2021. This is at a time when their funding continues to be cut and demand for their services is increasing. In the same way that local authorities are focussed on cost reduction, efficiencies and income generation the Combined Authority has also sought to ensure in developing its budget each year that it too is reviewing its activities and finding ways to deliver its services more efficiently. It also seeks to maximise third party income, such as advertising revenue and sponsorship for inward investment events.
- 2.3 The latest draft budget for 2019/20 as presented to the Combined Authority at its meeting showed a required use of reserves of £1.8 million, against the target agreed in February of £1.2 million. This position has been developed through the Member Budget Working Group, which includes amongst its members the LEP Chair, and with overview from the Chief Executives. There have been a number of changes to the figures since the strategy was agreed in February 2018 and some significant budget pressures identified. In order to reach the current position a number of reductions and cuts have been

included in the draft position and some reprioritisation to enable an allowance for emerging pressures. These are set out in more detail in the attached report. Further work to reduce the funding gap down to the previously agreed use of reserves of £1.2 million has been progressed through the Budget Member Working Group on 10 January 2019.

- 2.4 The largest income line in the revenue budget for 2019/20 is the transport levy of £94 million which is paid by the five West Yorkshire authorities and funds a significant proportion of the Combined Authority / LEP's activities. The transport levy is being reduced by £1 million each year, recognising the financial challenges facing local government.
- 2.5 Further revenue funding is received from government, particularly with regard to business and skills funding. The Board is aware of the challenges this brings as much of this funding is both specific to a particular purpose and timebound, meaning programmes can only run for as long as we are successful in bidding for external funding. Whilst the Combined Authority and LEP will continue to pursue opportunities to secure additional funding to deliver their objectives it should be noted that one of the income streams that is key in establishing a viable budget is the business rates from the Enterprise Zones. The LEP has an Enterprise Zone (EZ) in Leeds at the Aire Valley and a multisite M62 zone. All business rates earned on these sites above the baseline accrue to the LEP for 25 years and are therefore paid across to the Combined Authority as accountable body for the LEP. The Leeds EZ was established in 2013 and the M62 one in 2017 so income will be received up to 2038 and 2042 respectively.
- 2.6 Whilst collectively the sites are all due to make multi million pound annual contributions in due course they require investment and further development before they can become income generating. Indicative capital allocations have been approved for this investment. The 2019/20 budget includes an estimated £1.96 million in EZ receipts.
- 2.7 The Combined Authority will be agreeing the detailed budget (capital and revenue) and business plan 2019/20 at its meeting on 14 February 2019. It will also set out a detailed reserves policy and treasury management statement.

3. Financial Implications

- 3.1 As set out in the report.

4. Legal Implications

- 4.1 As set out in the report.

5. Staffing Implications

- 5.1 As set out in the report.

6. External Consultees

6.1 None.

7. Recommendations

7.1 That the LEP Board note the work underway to finalise the business planning and budget for 2019/20.

8. Background Documents

8.1 None.

9. Appendices

Appendix 1 – Draft business plan and budget 2019/20 report to the Combined Authority on 13 December 2019

Appendix 2 – 2019/20 Draft Business Plan Summary

Appendix 3 – Summary 2019/20 Budget

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Report to: West Yorkshire Combined Authority

Date: 13 December 2018

Subject: **Draft business plan and budget 2019/20**

Director: Angela Taylor, Director of Resources

Author(s): Jon Sheard and Angela Taylor

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 West Yorkshire Combined Authority with outline directorate business plans and the proposed draft revenue and capital budget for 2019/20.

2. Information

- 2.1 The Combined Authority approved a medium term financial strategy including the detailed 2018/19 budget at its meeting in February. Recognising the challenging financial position faced by its local authority partners, the strategy included a commitment to reduce the transport levy by £1 million each year and to reach a balanced position by 2020/21 that does not require the use of reserves.
- 2.2 Work has been progressing to update and refresh the business plan for the Combined Authority, maintaining the focus on the three big objectives agreed for the current year corporate plan: Productivity, inclusive growth and a 21st century transport system. A number of actions addressing a possible fourth objective of carbon reduction have also been identified. All teams have been required to demonstrate how expenditure delivers against the objectives and

priorities of the Combined Authority and its partners, demonstrating efficiency and effectiveness and value for money for the services delivered.

- 2.3 The Combined Authority recognises the difficult funding position facing local authorities as they await the outcome of the fair funding review and comprehensive spending review in 2021. This is at a time when their funding continues to be cut and demand for their services is increasing. In the same way that local authorities are focussed on cost reduction, efficiencies and income generation the Combined Authority has also sought to ensure in developing its budget each year that it too is reviewing its activities and finding ways to deliver its services more efficiently. It also seeks to maximise third party income, such as advertising revenue and sponsorship for inward investment events.
- 2.4 In putting together budget submissions teams are tasked with minimising costs and maximising income. Senior manager challenge sessions are used to scrutinise the funding requirements put forward, with this information then informing discussions with members on options to present a balanced budget. These actions have resulted in a range of efficiencies and savings each year that have contributed to the Combined Authority being able to reduce the transport levy and achieve more for less.
- 2.5 Actions taken include the reduction in the cost of providing bus services by 50% in real terms over the last ten years, as a result of smarter procurement and a continued focus on value for money. The commitment made in setting the 2019/20 budget includes a further 20% reduction in the cost of bus tendered services over a three year period. The Combined Authority has also reduced costs by three quarters of a million pounds through efficiencies and staff savings arising from adopting new technology including smart ticketing and moving customers to on-line services. Further savings of over a third of a million pounds per year have been made in the cost of managing the Combined Authority's facilities through better contract management and the introduction of an improved more efficient CCTV system.
- 2.6 New teams that have been established have been benchmarked against other authorities and best practice. For example the Delivery directorate was put together in 2016 and the Portfolio Management Office that oversees project delivery is operating on a ratio of only 1 person to every 15 projects, compared to the industry recommendation of 1 to every 4. Other teams have achieved reductions in headcount or an increase in output for the same resource.
- 2.7 **Appendix 1** sets out the draft business plan for each directorate, demonstrating how they deliver against the organisation's priorities and objectives and, at a summary level, the resources required to do so.
- 2.8 **Appendix 2** sets out the draft proposed revenue budget for 2019/20. The final budget for 2019/20 will be approved at the Combined Authority meeting of 14 February to enable the transport levy to be set in accordance with legislative requirements.

- 2.9 The latest position for 2018/19 is considered in agenda item 12 and confirms that the previously agreed position of a use of reserves of £1.4 million looks likely to be achieved. The latest draft budget for 2019/20 shows a required use of reserves of £1.8 million, against the target agreed in February of £1.2 million. This position has been developed through the Member Budget Working Group, and with input from the Overview and Scrutiny Committee and overview from the Chief Executives. There have been a number of changes to the figures since the strategy was agreed in February and some significant budget pressures identified. In order to reach the current position a number of reductions and cuts have been included in the draft position and some reprioritisation to enable an allowance for emerging pressures. These are set out in more detail in the following paragraphs which consider the key drivers and assumptions for the main budget lines. Further work is underway to reduce the funding gap down to the previously agreed use of reserves of £1.2 million.
- 2.10 **Bus strategy** – earlier this year the Transport Committee considered the issues around the effectiveness of expenditure on bus services in supporting mobility and approved revised policy guidelines together with a process of district level bus network reviews. It also approved for consultation revised policy guidelines in respect of home to school services. At the February 2018 budget meeting a 20% savings target was set for all bus service procurement over the period 2018/19 to 2020/21. To date, contract awards and amendments are delivering the necessary savings for 2018/19 and there is an expectation that the targeted savings for 2019/20 will be exceeded by some £500k. This has been possible as a result of retendering some schools services and reshaping of the batch renewals retendered in 2018/19.
- 2.11 **Bus franchising** - discussions regarding bus partnership and alternative models including franchising are continuing. If franchising were to be identified as the preferred way forward then there would be a need to invest in the initial work required to produce an outline business case, including external legal and financial consultancy work. At this stage no costs have been included in the budget to progress this detailed feasibility work although liaison will continue other combined authorities who are progressing this agenda.
- 2.12 **Concessionary travel** – a significant part of the Combined Authority’s budget is spent on the discretionary and statutory elements of the concessionary travel scheme. The costs of the statutory English National Concessionary Travel Scheme for 2018/19 are £46 million and are calculated using a spreadsheet model prescribed by the Department for Transport. This model includes a number of factors, including bus operating costs, so in effect will change each year as inflation affects fuel and salary costs of bus operators. In order to mitigate the potential volatility of these costs arrangements with the major bus operators are in place. 2019/20 is the third and final year of the current arrangement and indications at this stage are that there is a fall in patronage which may result in reviewing the thresholds of the agreement to be applied in 2019/20.

- 2.13 Subsequent years are then forecasting a standstill, when the current agreement with the major bus operators comes to an end. In the absence of any further agreements payments will be made based on actual patronage and the calculated reimbursement rate. The policy position on bus includes a focus on increasing patronage and as such there is a risk that reimbursement costs increase.
- 2.14 A further £9.5 million per annum is spend on discretionary concessions, predominantly for young people and enables them to travel at half fare up to the age of 19. This clearly supports the inclusive growth aims of the Combined Authority and discussions are taking place with bus operators to ensure that maximum benefits are derived from this expenditure.
- 2.15 **Joint work with bus operators** – there are a number of areas of service provision where the Combined Authority works with the bus operators, including the provision of travel information and the sale and administration of MCards. Work has been undertaken to ensure the relative responsibilities of the bus operators and the Combined Authority are understood and that costs are fairly apportioned between them. This has resulted in an increase in income to the Combined Authority in 2019/20 and subsequent years to reflect the current full costs of administering the MCard scheme. There is also a plan to reduce the operating costs of travel centres within the bus stations with the impact of this coming into the budget from 2020/21.
- 2.16 **Enterprise Zones** - the income stream from the Enterprise Zones (EZ) accrues to the LEP and is received by the Combined Authority as accountable body. This is one of the key income streams that has the capacity to grow and is key in establishing a viable budget. The LEP has an Enterprise Zone (EZ) in Leeds at the Aire Valley and a multisite M62 zone, both of which will contribute business rates above the established baseline for a 25 year period from their date of establishment (2013 for Leeds and 2016 for the M62).
- 2.17 The Leeds EZ has been established for some years and is due to pay over £1.2 million in 2018/19. Forecasts used in budget setting in the last three years have shown strong growth in this income but in reality these increases have been slow to materialise. Since establishing the strategy in February the forecast income from this site has fallen from by £1.6 million for 2019/20. Detailed scrutiny of the pipeline of future development is underway to enable a more robust position to be established, building on the already established baseline of £1.2 million due for 2018/19. This is the first year that the full income on the site accrues to the LEP after some initial investment costs have been recovered by Leeds City Council. Significant growth in this income could for example provide a means by which to fund business and skills projects, or further trade and investment activities, and remove some of the dependence on short term government funding.
- 2.18 The M62 EZ consists of nine sites, only two of which are forecast to make any payments this year – Lindley Moor West and South Kirby. Whilst collectively the sites are all due to make multi million pound annual contributions in due course, they require investment and further development before they can

become income generating. Growth Deal funds have been secured as a partial contribution towards these costs and a development plan identifying priority sites for investment is under consideration.

- 2.19 **Capitalisation** - the level of capitalisation ie charging eligible revenue costs to capital schemes was increased for 2018/19, reflecting the growing capital programme in comparison to the revenue expenditure. Work on the size and shape of the future capital programme will assist in identifying whether there is an opportunity to further increase this capitalisation of revenue costs.
- 2.20 **Policy and strategy** – a number of posts in the team have been held vacant in the current budget in order to achieve the saving required. This is being continued into 2019/20 but will clearly limit the capacity of the team to deliver across the full range of policy areas for the Combined Authority and its partners. Additionally there is significant work required to ensure the development of the Local Inclusive Industrial Strategy is underpinned by robust evidence. A compelling strategy will be key to unlocking future funding. Should the proposed LEP merger be agreed by government then the strategy will have to address the revised geography. Government funding is being sought to support this work.
- 2.21 **Rail** – the concerns with the performance of the local rail network is requiring a marked increase in work from the current team to address issues and consider future plans. Coupled with this is uncertainty over the funding from government to support this work via the current administration grant arrangements.
- 2.22 **LEP merger** – the proposed merger between the main constituents of the Leeds City Region LEP and the York, North Yorkshire and East Riding LEP is awaiting approval from government. This will require increased resources to establish agreed ways of working for the new organisation and put in place the right governance and practical arrangements. It is unclear at this stage whether government funding will be available to meet some or all of these costs.
- 2.23 **Trade and Investment** – external funding is being sought to continue the current Key Account Manager posts and if this bid is unsuccessful these costs would need to be met from revenue budgets. There is a clear need to ensure post Brexit that there is sufficient resource to continue to build on the successes of recent engagements with China and India for example.
- 2.24 **Pay award** – the 2018/19 and 2019/20 pay awards have recently been negotiated and the increases are reflected in the attached appendices. It is assumed that future pay awards will be around the 2% average rate settled for this year and next.
- 2.25 **Pay and pension** – the triennial pension valuation will take place in 2020 and will have an impact on ongoing employer contributions. Assumptions on the likely impact of this will need to be agreed.

- 2.26 The pay award has been agreed for both 2018/19 and 2019/20 and these costs have been included in the attached revenue budgets. During the pay negotiations it became apparent that there may be benefit in reviewing the pay structure in place at the Combined Authority. Work on this will be progressed during 2019 with the assumption that any costs arising will be managed within the overall staffing budget.
- 2.27 The draft budget includes as assumption on vacancy savings that will arise as a result of the usual churn of people leaving. The Combined Authority has over recent years been undergoing a review of its staffing structures and now that these revised structures are largely agreed and in place staffing costs can be forecast with greater accuracy.
- 2.28 **Commercialisation** – the Combined Authority owns a portfolio of operational property assets (including bus stations) and some land and property acquired for previous transport schemes. Opportunities are being sought to maximise commercial rents from the portfolio and to identify the longer term scope to realise any redevelopment potential.
- 2.29 **Other income streams** – the Combined Authority has been awarded further funding since February, including from the business rates pool, which has been built into the 2019/20 budget. The cliff edge scenario of short term funding coming to an end for skills programmes in particular continues to cause ongoing challenges in planning the delivery of these key programmes.
- 2.30 **Capital programme** – Work is continuing on finalising the three year capital programme and the funding available. A significant number of new schemes have achieved decision point 2 of the assurance framework and have therefore passed the eligibility threshold for inclusion in the Growth Deal programme. Much of the current Growth Deal funding which makes up the largest element of the capital funding available concludes in 2021. There is an ongoing income stream beyond this date of £30 million per annum for the West Yorkshire plus York Transport Fund, to be supplemented by borrowing in accordance with the original City Deal, but it is expected there will still be a requirement beyond 2021 for a broader capital programme that would need to be supported by borrowing or yet to be identified funding streams.
- 2.31 The detailed programme is being verified by partners delivering the projects and highlights a borrowing requirement from 2019/20 onwards. The revenue costs of supporting this borrowing, which is predominantly for the Transport Fund, will be reflected in the final proposed budget in February, to be funded from the Transport Fund reserve. It is intended to utilise the Transport Fund reserve to support these costs but once these are applied it must be noted that there will be an ongoing long term commitment to meet the costs of the borrowing entered into. A fuller consideration of debt costs and the application of the Transport Fund reserve to meet these is being undertaken and will be brought to the February meeting.
- 2.32 **Living wage foundation accreditation** – the Combined Authority ensures no employee is paid less than the real living wage. As part of its work on social

inclusion consideration will be given as to whether to pursue the full Living Wage Foundation accreditation. This would require the Combined Authority to ensure its contractors and sub-contractors all pay their employees no less than the real living wage. Further work will be undertaken to establish the potential financial costs of doing this, alongside the wider inclusive growth benefits of doing so. No contingency has been built into the current budget assumptions to enable this accreditation to be pursued.

- 2.33 Members are asked to consider the proposed draft budget and provide any input into the final version of both the business plan and budget that will be brought to the February meeting.

3. Inclusive Growth Implications

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

4. Financial Implications

- 4.1 As set out in the report.

5. Legal Implications

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

6. Staffing Implications

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

7. External Consultees

- 7.1 No external consultations have been undertaken. Information on the budget position will be shared with members of the public via the internet during December and January.

8. Recommendations

- 8.1 That the Combined Authority consider the draft business plan and budget proposals for 2019/20 and provide any further input to them.

9. Background Documents

- 9.1 None.

10. Appendices

Appendix 1 – Draft business plan for 2019/20

Appendix 2 – Draft budget for 2019/20

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2019/20 Draft Business Plan Summary

ECONOMIC SERVICES VISION

Delivering effective services to drive inclusive growth.

To attract global investors, support businesses to be more productive and inspire people to gain relevant skills, working with partners from the public, private and third sector.

2019/20 Economic Services Overview

In 2019/20 the Economic Services Directorate will focus on delivery against the following pan-directorate priorities:

- 109 Increase our focus on **productivity improvement** with businesses, underpinned by more strategic conversations with business leaders to encourage a more long term approach to business planning which helps them access the right package of business support offers to complement their own strategic plans.
- Extend and deepen our work to embed **inclusive growth** across the broad range of skills, business support and inward investment services, in order to foster greater social mobility and to engage stronger commitment from businesses we support to be responsible employers.
- Develop an agile and responsive approach to **Brexit-related opportunities and challenges** by supporting indigenous businesses, potential investors and the workforce in our labour market.

The overall balance of resource investment will be kept under review in line with emerging policy priorities and in response to the prevailing economic conditions, within the constraints of contractual obligations linked to specific funding agreements.

2019/20 Team Priorities

Business Support Team Priorities

The Business Support Team will focus on delivering the following operational priorities during 2019/20:

Current Programmes:

- Deliver LEP Growth Service* with a target of supporting 3,025 businesses and providing 1,035 of these with intensive support
- Deliver Pop-up Business Advice programme with a target of holding 14 events (with over 50% of these in more disengaged / disadvantaged areas).
- Deliver Capital Grants Programme with 75% of jobs created in businesses receiving grants paying the real living wage and above
- Deliver Resource Efficiency Fund programme to October 2019, supporting 88 businesses to reduce energy, water and waste.
- Deliver Access Innovation programme, supporting 77 businesses to research and develop new products or services.
- Deliver Strategic Business Growth programme, supporting 100 businesses to produce and implement strategic growth plans.
- Deliver Travel Plan Network* programme with a target of recruiting 96 new members and contributing to modal shift
- Deliver the Productivity Pilot and use learning to inform future grant programmes.
- Capture and monitor Inclusive Growth outcomes from capital grants with a target of 90% of businesses contributing to inclusive growth outcomes

New Programme Development:

- Develop and introduce new Investment Readiness programme to support 60 firms to become more investment ready
- Develop and introduce new Business Resilience* programme for 45 companies, with flexibility to respond to economic uncertainty
- Design, secure funding for & commence delivery of a successor Resource Efficiency Fund* programme from October 2019.
- Design, secure funding for & commence delivery of a successor Access Innovation* programme from January 2020.
- Design and secure funding for a successor Strategic Business Growth* programme to be delivered from April 2020.

Impact Analysis:

- Produce detailed impact analysis of cohorts of businesses supported across all programmes.

N.B. Resources for delivering the above programmes include some local authority staff and contracted delivery partners, as well as the Combined Authority staff resources listed.

**Projects asterisked are subject to current and future funding applications being successful*

The Business Support Team will also focus on the following strategic priorities in 2019/20:

- Increase the reach of the LEP Growth Service across the City Region’s districts, including some of its more disadvantaged neighbourhoods, with a clear focus on business improvement.
- Broaden the LEP’s business support portfolio to better meet the changing needs and circumstances of our businesses, with a particular focus on strategic planning, financial resilience (Brexit and other challenges) and improved productivity.
- Demonstrate the positive impact and outcomes of the LEP’s business support products, both in quantitative and qualitative terms.
- Increase the contribution from businesses we support to the LEP and Combined Authority’s inclusive growth commitments.

2019/20 Employment and Skills priorities

The Employment and Skills Team will focus on delivering the following operational priorities during 2019/20:

→ Carry out a review and update of delivery agreements with 7 West Yorkshire FE Colleges to influence education and skills provision in line with economic need

- Build career readiness of young people, delivering an enhanced model of employability, enterprise and careers education to 18,000 disadvantaged students
- Deliver a pilot Careers Hub with partners in Kirklees
- Influence 1,000 businesses to engage with education, apprenticeships and sector skills initiatives, including support for 800 businesses to offer apprenticeships
- Support individuals to develop skills in priority sectors* and change careers, helping 1,000 people to upskill in skills shortage areas.
- Reach 250,000 people with information on careers linked to labour market information to promote better informed choices.

The Employment and Skills Team will also focus on the following strategic priorities during 2019/20:

- Provide strategic leadership of the skill system, in particular by creating a Skills Commission to undertake a high profile Skills System Review and extending the effectiveness of Delivery Agreements with Colleges as a precursor to devolved skills funding in order to ensure colleges and training providers deliver the skills we need in the regional economy.

- Build career readiness of young people by investing more resource into enhancing the offer to disadvantaged pupils, extending #futuregoals and working with careers leaders in secondary schools to ensure many more pupils benefit from increased encounters with employers in line with the Gatsby benchmarks in the National Careers Strategy, working in partnership with local authorities.
- Deliver services to support young people, career changers and businesses through the Employment Hub, [re]boot, Apprenticeship Grants for Employers, and support for Apprenticeship levy-payers.

N.B. Resources for delivering the above programmes include some local authority staff and contracted delivery partners, as well as the Combined Authority staff resources listed.

**Projects asterisked are subject to current and future funding applications being successful.*

2019/20 Trade and Investment priorities:

The Trade and Investment Team will focus on the following operational priorities during 2019/20:

- Inward Investment enquiry handling with a target of generating 100 new enquiries of which 50 are non-Core City inward investment enquiries
- Investor Development service* - building engagement with circa 100 foreign owned businesses and identifying new FDI projects
- Bringing 30 successful inward investment projects to LCR, of which a minimum of 15 are beyond the Core City, creating 1,500 jobs for the region and safeguarding a further 500
- Leveraging £50,000,000 in private sector investment
- International Trade – work to simplify the trade delivery landscape and connect potential exporters to new opportunities
- International profile raising - ensuring the profile of our key industrial sectors is maximised
- Sector Development and lead generation to convey specialisms and attract the attention of international investors. Ensure a presence at leading industry events to engage with the sector, investors and represent the region (i.e. Arab Health, SMART Cities etc.)
- MIPIM Property Conference – to provide a platform for our Local Authorities and private sector developers/investors to be represented and promote the region's key messages
- Emerging Markets - a more concentrated approach to China and India including the expansion of strategic activity to obtain in-market recognition for Leeds City Region

The Trade and Investment Team will also focus on the following strategic priorities in 2019/20:

- Respond to new policy drivers to rebalance the gains from investment across the whole City Region, including support for supply-side promotion of key assets
- Increase the amount of FDI from indigenous firms, through effective investor development by our newly established KAM team, in particular to support companies to secure and win additional local investment post-Brexit.
- Increase the focus of our international trade work help companies exploit post-Brexit export opportunities, in particular to develop stronger links with key emerging markets in particular China and India.
- Channel 4 – maximise the opportunities from securing the high profile inward investment. Attracting new investment in creative & digital sector, supporting existing businesses and new investors. Work in partnership with local authorities to deliver value across the city region (NB additional budget or staffing assumptions not yet included - until DP5)

N.B. Resources for delivering the above programmes include some local authority staff and contracted delivery partners, as well as the Combined Authority staff resources listed.

¹³
*Projects asterisked are subject to current and future funding applications being successful

Economic Services budget summary: DRAFT FIGURES	£
Net revenue requirement 2019/20	1,180,203
Gross revenue expenditure	13,085,142

ECONOMIC SERVICES DRAFT KPI's: TO BE UPDATED

	Proposed Measure	Target	Measurement Frequency	Notes
BUSINESS SUPPORT 114	Number of businesses receiving support	3025	Monthly	10% increase on 18/19 but part-dependent on successful funding applications.
	Intensive support to growth businesses	1035	Monthly	15% increase on 18/19 but dependent on successful funding applications.
	Jobs created in businesses receiving intensive support	650	Monthly	30% increase on 18/19 but part-dependent on successful funding applications and outcome of the Productivity Pilot.
	Proportion of jobs created in businesses receiving capital grant investment paying the Real Living Wage and above.	75%	Quarterly	New measure linked to Inclusive Growth and the incentive to increase wage rates to the Real Living Wage or above
	Investment in business capital growth projects	£6m	Monthly	20% increase on 18/19 but part-dependent on successful funding applications.
	Businesses supported to reduce costs on energy, water and waste	88	Monthly	10% increase on 18/19 but dependent on successful funding application.
	Business supported to produce and implement strategic growth plans	100	Monthly	Same as 18/19 as funding only in place for 10 months of 19/20

	Proposed Measure	Target	Measurement Frequency	Notes
115	Business supported to improve innovation capacity	77	Monthly	10% increase on 18/19 but part-dependent on successful funding applications
	Businesses supported to become more investment-ready	60	Monthly	New project to commence delivery to SMEs in April 19
	Businesses supported to improve their financial health and resilience	45	Monthly	New project to commence delivery to SMEs in June 19, but funding not yet secured
	Pop-up business advice events delivered across the City Region	14	Monthly	Increase of 2 (circa 14%) on 18/19
	Pop-up business advice events delivered in more disadvantaged areas	8	Monthly	Increase of 2 (circa 25%) on 18/19
	New members recruited to the Travel Plan Network of 500 (tbc) members	96	Monthly	20% increase on 18/19 but dependent on successful funding application / CA funding
	Larger employers supported to deliver shared travel plans	15	Monthly	New measure more focused on behaviour change and modal shift
	% of business growth programme grant recipients contributing to Inclusive Growth outcomes	90%	Monthly	New measure linked primarily to businesses in receipt of capital investment grants.
	Proportion of businesses receiving intensive support achieving growth (employment and/or GVA)	80%	Annual	5% increase on 18/19 and to be measured via annual impact analysis

	Proposed Measure	Target	Measurement Frequency	Notes
	Proportion of businesses supported by the Growth Service likely to recommend it	90%	Monthly	5% increase on 18/19 and to be measured on a monthly basis as opposed to annually
EMPLOYMENT AND SKILLS	Deliver an enhanced model of employability, enterprise & careers education to disadvantaged students	18,000	Monthly	6,000 increase per year
	Refresh and monitor delivery agreements with FE colleges, to deliver skills outcomes which support our economic priorities and inclusive growth ambitions	7	Annually	West Yorkshire FE Colleges – 2 nd round of delivery agreements
	Number of businesses influenced to engage with education, apprenticeships and sector skills initiatives	1,000	Monthly	[re]boot, Enterprise in Education, AGE, Employment Hub/BRP
	Of which businesses supported to offer apprenticeships	800	Monthly	Rolled forward from 18/19 for AGE and telemarketing (increase to 1,000 if get funding)
	Of which new businesses (not engaged with skills products in the last year)	150	Monthly	
	Number of people reached with information on careers linked to labour market information, thus promoting better informed choices	250,000	Monthly	Future goals activities, assemblies, website
	Number of individuals supported to upskill in skills shortage areas	1,000	Monthly	[re]boot, Employment Hub, practitioner CPD
TRADE AND INVESTMENT	Total New Enquiries Generated	100	monthly	Maintained from 18/19 as stretch on actual enquiries

	Proposed Measure	Target	Measurement Frequency	Notes
117	a.) of which no. of non-Core City Inward Investment enquiries generated	50	monthly	A new target due to the objective to stimulate inward investment in the wider Leeds City Region
	b.) of which no. generated through Investor development activity	30	monthly	Increased contribution from KAM team reflected
	Total Projects to Leeds City Region (Successes)	30	monthly	Reduced in line with refocus of priorities and Brexit
	a.) of which no. of Projects to non-Core City regions (Successes)	15	monthly	New KPI to target rebalancing spread of investments
	b.) of which no. delivered through investor development activity	15	monthly	Increased contribution from KAM team reflected
	Number of companies that will be actively account managed through investor development activity.	120	monthly	Increased contribution from KAM team reflected
	New Jobs Created (Successes)	1500	monthly	Maintained as stretch on actual performance in 18/19.
	Jobs Safeguarded (Successes)	500	monthly	In likelihood of increased safeguarding priority post-Brexit.
	Private Sector Investment Leveraged	£50,000,000	monthly	Increased to reflect total leverage of investments
	<i>Trade targets still in development to reflect changing priorities regarding Brexit and emerging markets.</i>			

DELIVERY DIRECTORATE VISION

Ensuring the delivery of a portfolio of projects and programmes within the agreed cost, time and quality framework, which meet our strategic priorities and derive maximum benefit for the region

2019/20 Delivery Directorate Overview

The Delivery Directorate is focussed on the delivery of projects and programmes which meet strategic objectives within the funding envelope available. We are responsible for supporting, developing and delivering schemes which create 21st century transport and boost productivity. In particular we support businesses directly by offering loans to support growth and the creation of jobs, including supporting low carbon schemes, supporting college and university infrastructure to support a skilled workforce, delivering superfast broadband to businesses and hard to reach communities, and infrastructure that safeguards businesses and homes from flooding, and tackles fuel poverty by delivering warm homes and alternative heating schemes, supporting inclusive growth. We are building 21st century transport infrastructure by designing and building new rail stations, supporting bus Park and Ride schemes and extending rail station parking, support sustainable transport schemes such as cycling and walking, supporting highways improvement and new highways infrastructure schemes to unlock key housing and employment sites, develop Enterprise Zones and improving the connections between homes and centres of employment. We are also developing smart card technology to make it easier for people to pay for public transport and we are supporting clean technologies to reduce bus emissions and deliver superfast vehicle charging points.

We also ensure schemes that are delivered in the Leeds City Region offer good value for money and meet the requirements of central government and our wider funders. We ensure that projects pass through our assurance process, where schemes are appraised and challenged to ensure we get the best schemes for our money and safeguard public funds.

We rely on support from across the Combined Authority to delivery our portfolio of projects, in particular:

- Policy and Strategy define our projects and programmes and lead on programme level monitoring and evaluation;
- Communications support in meeting government requirements regarding publicity;
- Resources Directorate support in producing legal and funding agreements, finance support, procurement advice, HR and ICT support.

- Where additional or specialist support is required to support the delivery of our programmes these are procured externally and funded via the management costs of these programmes.

Challenges

1. We do not have adequate resources to effectively manage a growing portfolio/workload – this relates to the delivery of additional projects and programmes, supporting partners to deliver new/expanding programmes, and ensuring robust appraisal of our growing portfolio;
2. Managing programme costs effectively when scheme costs are increasing and there is increased pressure on limited funds;
3. Ensuring outputs and benefits are delivered within the timescales set;
4. Ensuring we have sufficiently robust processes/assurance to satisfy government requirements, whilst allowing the flexibility for timely decision making.

There are increasing pressures on resources to deliver an increasing and expanding portfolio, with further planned expansions of projects and programmes. This includes schemes such as Enterprise Zones, new rail stations, future Growing Places Fund/ business loans programme and expansion into commercial areas. The exact requirements of these programmes is still being defined and where additional resources are required any additional costs will be capitalised through defined projects and programmes.

2019/20 Pan-Directorate Priorities

Successful delivery of x projects on the ground (projects starting on site) and completion of x projects

Successful outcome of the 2019 Growth Deal Review (Transport Fund)

Actual spend and forecasts on target and the correct projects delivered / being delivered to ensure we meet our strategic priorities and derive maximum benefit for the region with regards:

- Growth Deal funding (target spend of £105 million in 19/20 and £516 million in total by March 2021);
- LPTIP funding (target spend of £72m original target in 19/20 and £173.5 million by March 2021);
- Other programme funding.

Continue to build and strengthen relationships with partner Councils and external sponsors.

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PIMS system embedded and working successfully including further development to improve efficiency to ensure consistent, clear and concise monitoring and reporting to our partners and leaders

Embed measurable changes following the outcome of the 2018 Employee Survey

Proactively manage and maximise business rate potential, capture and investment as part of the Enterprise Zone programme

Planning for future programmes by working closely with the Policy and Strategy teams to ensure place-making, deliverability and monitoring resource capacity (internal, external and partners) to deliver new areas of the pipeline (e.g. Transforming Cities Fund, next SCIP programme)

Completing the smart ticketing and technology programme, making it easier for bus and rail users when paying for their journeys

New strategy for Growing Places Fund reinvestment initiated and embedded

Deliver the early phases of the Corporate Technology Strategy in conjunction with ICT, the Transformation Team and Delivery Partner.

Head Office Accommodation refurbished and flexible ways of working implemented.

Continue to manage and review the corporate, portfolio, programme and project risk and cost management strategy and communicate to our partners.

Celebrate the success of delivering projects as they are delivered and SEP objectives realised.

Proactively manage Lessons Learnt and strategy for capturing benefits realisation

Policies, procedures and working practices improved and implemented to maximise staff retention, e.g. full complement of staff, trained staff, known as an organisation people want to work for / know who we are.

Culture of high performing teams and continuous improvement embedded with motivated and engaged people that are responsible for delivering named projects and new governance arrangements embedded

2019/20 Implementation Team priorities

Transport Projects - direct delivery of transport projects as below:

Rail Park and Ride Programme, Phase 1:

Extension to rail station car parks to increase capacity and access to rail- 14 sites in total.

4 schemes to commence construction works in 2019/20, subject to approvals (to Activity 6):

- Garforth
- Steeton & Silsen
- Shipley
- Moorthorpe

Providing approximately 350 additional spaces

Rail Park and Ride Programme, Phase 2:

Programme (to Activity 3)

Castleford Rail Station Gateway

Project completion (to Activity 6)

New rail stations at Elland, Leeds Bradford International Airport, White Rose and Thorpe Park

Approvals secured for taking forward the next steps

(At Activity 3 OBC working to Activity 4 – FBC for all 4 stations)

ULEV taxi charging point infrastructure (West Yorkshire)

Target 88 No. installations in place

Project completion (to Activity 7)

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New Station Street, Leeds project completion

(Activity 7)

Rail Accessibility programme - Connecting Leeds

To facilitate step free access, from the station entry point, through to the platform edge, at Cross Gates, Horsforth and Morley rail stations.

(At Activity 3 OBC working to Activity 4 – FBC)

Real Time -Connecting Leeds

490 4-line LED real time information displays at bus shelters in Leeds with no current provision.

510 pole mounted real time information displays along main bus corridors in Leeds.

10 totems with static information and integrated real time information displays at main transport hubs in Leeds.

(Activity 6 – Delivery for Phase 1)

New Pudsey rail station Park & Ride -Connecting Leeds

(At Activity 3 OBC working to Activity 4)

Halifax bus station

A new build bus station will be constructed on the site of the current bus station. The new structures will be to modern standards providing enhanced passenger environs, with improved access to and prominence of the bus station manager's office, ticket office and commercial units. Design and funding agreed 19/20

(At Activity 3 OBC working to Activity 4 FBC)

Smartcard Implementation Programme

Programme completion with CHASE residential MCards online process in place & Smart Transactions and Information (Aug 19)

Online sales e.g. via a QR/ bar code smartphone app (Sept 19) - making it easier for bus and rail users when paying for their journeys

(Activity 6)

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Wellington House Accommodation Project

Completion of refurbishment 19/20

(Activity 6)

Corporate Technology Strategy:

- Service Management Capability
- Accessible Technology Charter
- Data Centre and Cloud Strategy
- Active Directory
- Network Infrastructure
- Windows Server Upgrades
- Data Platform
- 123 • Meeting Room System
- Cyber Security and PSN
- ICT Disaster Recovery and Business Continuity
- Mobile Access to Corporate Apps (Remote Access)
- End User Devices
- Intranet -
- Sharepoint online and office 365
- CRM Improvements and Futures
- Digitising Services

(Activity 6) - Programme to be delivered 19/20 and 20/21

Bus Hubs (Connecting Leeds)

Initiate delivery phases - awaiting scope definition from Policy (Activity 2)

Transport Partnerships - supporting partner delivery of transport projects as below:

To Activity 2:

No. WY+TF/Connecting Leeds Projects approved at Decision Point 2 (EOI) (1)

CALDERDALE

1. A641 Corridor EOI

To Activity 3:

No. WY+TF/Connecting Leeds Projects approved at Decision Point 3 (OBC) (3)

CALDERDALE

1. A629 Ph4 OBC
2. Halifax Station Gateway OBC

KIRKLEES

3. A629 Halifax Road Phase 5

To Activity 4:

No. WY+TF/Connecting Leeds Projects approved at Decision Point 4 (FBC) (5)

CALDERDALE

1. A629 Phase 1b
2. Elland Station & Access Package

KIRKLEES

3. A62 Cooper Bridge

LEEDS

4. City Centre Gateways (LPTIP) – various

YORK

5. York Outer Ring Road Ph4

To Activity 4:

City Connect Phase 3

No. schemes to Activity 4 (FBC) (1)

1. Cooper Bridge

To Activity 5:

No. WY+TF/Connecting Leeds Projects approved at Decision Point 5 (FBC+) (8)

CALDERDALE

1. A629 Phase 2

KIRKLEES

2. West Yorkshire Integrated UTMC Element C

LEEDS

3. East Leeds Orbital Route

4. Bus priority corridors (LPTIP) – various

WAKEFIELD

5. Wakefield City Centre Package (Phase 2, Ings Rd)

YORK

6. York Northern Outer Ring Road – Phase 3 – FBC+

CORRIDOR IMPROVEMENT PROGRAMME

7. A62 Smart Corridor
8. Huddersfield Southern Gateways

To Activity 5:

City Connect Phase 3

No. schemes to Activity 5 (FBC+) (4)

1. Canals:
 - Huddersfield Narrow
 - Leeds Liverpool (Shipley)
2. Castleford/Wakefield Greenway Ph4
3. Huddersfield Town Centre
4. Leeds Links: -
 - Claypit Lane

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- Dewsbury Road
- Elland Rd and

To Activity 6:

No. WY+TF/Connecting Leeds Projects in delivery (on site) 13

CALDERDALE

1. Calderdale A629 Ph2

KIRKLEES

2. UTMC Element A, B & C

LEEDS

3. LPTIP early interventions
4. East Leeds Orbital Route

WAKEFIELD

5. Glasshoughton Southern Link Road

YORK

6. York Central Access Road
7. York Station Frontage

CORRIDOR IMPROVEMENT PROGRAMME

8. Corridor Improvement Programme - Kirklees, A62 Smart Corridor
9. Corridor Improvement Programme - Calderdale, A58 - A672 Corridor
10. Corridor Improvement Programme - Calderdale, A646 - A6033 Corridor
11. Corridor Improvement Programme – Leeds, Dyneley Arms
12. Corridor Improvement Programme – Leeds, Fink Hill
13. Corridor Improvement Programme – Wakefield, Newton Bar

To Activity 7:

No. WY+TF/Connecting Leeds Projects completed – (2)

1. YORR ph2
2. Calderdale A629 (Phase 1A) - Jubilee Road to Free School Lane – Project

To Activity 7:

City Connect Phase 2:

No City Connect schemes to Activity 7 (completed) (9)

1. Canal Towpath – Airedale Greenway (Leeds/Liv)
2. Canal Towpath – Calder Hebble
3. Castleford/Wakefield – Methley Bg – Fairies Hill Lock
4. Canal Towpath – Huddersfield Narrow
5. Canal Towpath – Rochdale Phase 1
6. Bradford Canal Road
7. Leeds City Centre
8. Castleford – Wakefield Ph2, 3 & Bridge over Railw'y
9. York Scarborough Bridge

Corridor Improvement Programme Phase 2 / 3 Development of EOI at programme level to Activity 1 (1)

Transforming Cities Fund – Policy to define scope to Activity 1 (1)

Economic Regeneration - supporting partner delivery of projects as below:

Framework and Programme management of Better Homes Yorkshire (Year 5); (Activity 6)

- Projects in development to continue benefit utilisation of the framework
- Draft KPI target of 750 homes improved (subject to funding bids)
- Benchmarking of prices exercise to complete

Flood Alleviation Programme

- Skipton monitoring to complete (Activity 7)
- Brighouse & Clifton progress to FBC+ and commence on site (Activity 5/6)
- Leeds FAS 2 progress to FBC+ and delivery (Activity 5/6)
- Progress Kirklees to FBC+ (Activity 5/6)
- *Mytholmroyd due to complete March 2020 (Activity 6)*
- Natural Flood Management programme (Colne & Calder) in delivery (Activity 6)
- Wyke Beck water storage area at Killingbeck Meadows complete (Activity 7)

Leeds District Heat (PIPES)

- On sign up of two heat sales agreements release £4m grant funding
- The Heat Network will go live Summer 2019 (Activity 7)

Warm Homes Round 1

- Complete the programme May 2019 (Activity 7)

<p>Warm Homes Round 3 (subject to funding bid)</p> <ul style="list-style-type: none">• Owner occupiers• Private Rented Sector• Council housing (York and Leeds)
<p>Tackling Fuel Poverty Programme completion and close down (Activity 7)</p>
<p>Leeds City Region Enterprise Zone programme, accelerated delivery for Phase 2:</p> <ul style="list-style-type: none">• FBC for Gain Lane, Bradford (Activity 4)• OBC for Clifton EZ (Activity 3)• OBC for Staithgate Lane, Bradford (Activity 3)• OBC and FBC for South Kirkby (Activity 3/4)• OBC for Parry Lane, Bradford (Activity 3)• OBC for Langthwaite (Activity 3)• OBC and FBC for Moor Park, Mirfield (Activity 3/4)• Financial agreement for approach to Business Rates retention to the Combined Authority across the EZ programme• Collection of business rates
<p>Skills Capital & Innovation Programme:</p> <ul style="list-style-type: none">• Completion of Leeds City College (Quarry Hill/Park Lane Project) (Activity 7)• Working towards the completion of Kirklees College Pioneer House building (Dewsbury Learning Quarter Project) (Activity 6)• Huddersfield Innovation & Incubation Project complete (Activity 7)• End Project Reports finalised and presented to PAT on completed Round 1 & Round 2a schemes (Activity 7)• Post completion monitoring of project outputs on performance for implications of potential clawback if underperformance

Energy Accelerator Programme (Activity 6):

- Developed pipeline of projects and commencement of services
- Mid-term programme targets achieved

Growth Deal-Housing & Regeneration Programme

Drive forward Housing and Regeneration Programme, supporting Authorities to achieve spend and deliver anticipated outputs.

- FBC+ Dewsbury Riverside (Activity 5)
- FBC+ Bradford Heritage Buildings (Activity 5-6)
- FBC Bradford Heritage Buildings ph2 (Activity 4)
- FBC+ Northgate House (Activity 5)
- FBC+ Halifax Living (Activity 5)
- FBC+ Wakefield City Centre Gateway (Activity 5)
- Bradford Odeon (Activity 6)
- Leeds Brownfield (Activity 6)
- FBC+ One City Park (Activity 5)
- Barnsley Glassworks (Activity 6)
- Kirklees Housing (Activity 6)
- Halifax Beech Hill (Activity 6)

Growing Places Fund

Priority 1-continue daily management of existing loans to best protect Combined Authority Investment

Priority 2- Ensure all GPF documents and procedures are reviewed to ensure robust practices are in place, best protecting Combined Authority investment

High Speed Rail Institute

Work with University of Leeds to ensure scheme is progressing as planned and Combined Authority resource is effectively utilised to deliver the anticipated outputs for the LCR.

Following RIBA 4 technical sign off, FBC+ (Activity 5) submissions for:

land and infrastructure costs Aug 19

Ph1 Infrastructure Testing Facility Dec 19

Phase 2 Vehicle Testing Facility March 20

Broadband Contract 2 Deployment ongoing (Activity 6)

Broadband Contract 3 – subject to funding bid (Activity 6)

2019/20 Feasibility & Assurance priorities

Achieving a successful Growth Deal 2019 outcome

- Liaison with consultants and supply of monitoring data
- Influencing the review at Government level
- Input to final report, due December 2019

Assurance Framework:

- Annual update, incorporating best practice nationally
- State of readiness for revisions to LEP geography and governance – may lead to significant changes to ways of working

Monitoring & Evaluation:

- Development/support of Evaluation Plans
- Strengthened approach to Benefits Realisation
- Update to Assurance Framework to reflect revised approach

Business Case reviews:

- Formalise role with policy in respect of pre-Eol requirements
- Allocate, train, develop and strengthen review capability of Case Officers to ensure greater consistency and meeting increased demands of expanding portfolio
- Ongoing review of external specialist resource requirements
- Developing partner skills and understanding
- Review and expansion of Peer Reviews across the portfolio and beyond transport schemes
- Roll-out of Appraisal Specification Reports to non-transport schemes

Define and introduce categorisation of schemes by risk level across the portfolio and undertake deep dives

Respond to and lead on future Calls for Projects and Business Rates Pool etc.

133

2019/20 Portfolio Management Office priorities

Continuous review of the assurance process including ensuring transparency and incorporation of inclusive growth, green strategy etc.

- Develop, review and embed templates and guidance documentation:

More efficient delivery of programmes and projects with check and challenge to ensure we meet our strategic priorities and derive maximum benefit for the region including implementation of PMO business partnering

- Service and manage PAT:
- Manage assurance process decision making - TC, IC and CA reporting, MD RfDs:
- Provide advice and guidance on the assurance process to the CA and partners:
- Business partnering to ensure programmes and projects are adequately checked and challenged:
- Case Officer duties

Management of the portfolio with an increased understanding and embedding of controls for the assurance process, i.e. risk and issue management, cost management, change management, interdependencies, benefits realisation / monitoring and evaluation and Planning (Time) Management

- Develop, review and embed controls and guidance documentation:

Fully embed PIMS reporting system with 'one version of the truth' and clear and concise monitoring and reporting to our partners and leaders.

- Reporting from PIMS to IC, CA, LEP Board
- Management of PIMS – data collection and input
- Check and challenge of PIMS data

Delivery Directorate budget summary : DRAFT FIGURES

£

Net revenue requirement 2019/20

(178,555)

Gross revenue expenditure 2019/20

4,555,011

DELIVERY DRAFT KPI's: TO BE UPDATED

Proposed Measure		Target	Measurement Frequency	Notes
135 Implementation	Delivery of a programme of significant transport projects by end of March 2019	X No at DP3 X No at DP5	Quarterly	
	Support partners to deliver significant transport projects by March 2019	X No at DP3 X No at DP5	Quarterly	
	Improving homes through the Better Homes and Warm Homes programmes	750 homes	Quarterly	Subject to funding bids (Warm Homes, ESIF)
	Better Homes: % of contract value delivered by LCR supply chain	80%	Quarterly	
	Tackling Fuel Poverty Programme: progressed through decision point 7	Q1	Quarterly	
	Flood Alleviation: Growth Deal Spend	£3 million	Quarterly	
	Flood Alleviation: Projects progressed through decision point 5	2	Quarterly	Leeds FAS 2, Brighouse & Clifton
	Flood Alleviation: number of businesses with reduced flood risk	70	Quarterly	Programme cumulative target to end 19/20: 620
	Leeds District Heat: heat on achieved (commercial)	Q3	Quarterly	
	Leeds District Heat: Growth Deal spend	£4 million	Quarterly	

	Proposed Measure	Target	Measurement Frequency	Notes
136	Supporting the creation of jobs and increasing GVA output through progression of the Enterprise Zones programme	Xx ha land unlocked?	Quarterly	
	Supporting digital inclusion through the provision of broadband infrastructure in urban and rural communities	XX THP	Quarterly	
	Developing smart card technology, making it easier for bus and rail users when paying for their journeys	Programme completion Qtr3	Quarterly	
	Transport Partnerships - No. WY+TF/Connecting Leeds Projects approved at Activity 2 (EOI)	1	Annually	
	Transport Partnerships - No. WY+TF/Connecting Leeds Projects approved at Activity 3 (OBC)	3	Annually	
	Transport Partnerships - No. WY+TF/Connecting Leeds Projects at Activity 4 (FBC)	5	Annually	
	Transport Partnerships - No. City Connect projects at Activity 4 (FBC)	1	Annually	

Proposed Measure		Target	Measurement Frequency	Notes
137	Transport Partnerships - No. WY+TF/Connecting Leeds Projects approved at Activity 5 (FBC+)	8	Annually	
	Transport Partnerships - No. City Connect projects at Activity 5 (FBC+)	4	Annually	
	Transport Partnerships No. WY+TF/Connecting Leeds Projects at Activity 6 (in delivery)	13	Annually	
	Transport Partnerships No. WY+TF/Connecting Leeds Projects At Activity 7 (completed)	2	Annually	
	Transport Partnerships - No. City Connect projects at Activity 7 (completed)	9	Annually	

Proposed Measure		Target	Measurement Frequency	Notes
138 PMO	Review of the assurance process	Revised and approved March 2019	Annually	Ties in with assurance framework review
	Schemes reviewed at PAT at: DP2 DP5	To determine based on forecasts	Quarterly	
	PIMS updated with all schemes within funding programmes CA is responsible for	March 2019	Quarterly	
	Portfolio reporting format for our partners and leaders agreed and implemented for all funding programmes CA is responsible for	March 2019	Quarterly	
	Successful Growth Deal Review Outcome by December 2019	Pass	One-off	
Feasibility & Assurance	Successful Growth Deal Review Outcome by December 2019	Pass	One-off	
	Incorporate LEP Review guidance into updated Assurance Framework	Date still unclear	On-off	Currently awaiting Government guidance to be issued
	Review of submitted business cases to meet Programme Appraisal Team timescales	100%	Annual	

POLICY, STRATEGY AND COMMUNICATIONS VISION

Leading Thinking; Empowering the region

To be the “Best in Class”. To develop a leading, inclusive industrial strategy; a radically new economic and public policy framework for Leeds City Region; a new vision for the kind of place we want the City Region to be; to secure a devolution deal; to agree a long term funding settlement with Government; and to make the region known nationally and globally as a place where everyone can build great businesses, careers and lives, supported by world-class transport, housing and digital connections.

2019/20 Policy, Strategy and Communications overview

1. Leading thinking, and carrying out detailed evidence-based policy development work, to help regional leaders to achieve their long term objectives to improve prosperity and living standards for people across West Yorkshire and the Leeds City Region;
2. Developing a Local Inclusive Industrial Strategy as part of new Policy Framework, of a quality and ambition that helps to unlock the potential of the region and enhances its status as a national and international economic centre;
3. Leading work with partners to bring game-changing devolved powers and investment to the region;
4. Leading thinking on, and securing funding for, transformational 21st century connectivity infrastructure, which will unlock opportunity by enabling people to move around the region and enable easy and swift travel nationally and internationally;
5. Providing a fit for purpose data and intelligence infrastructure to support the organisation’s business plan objectives and to ensure that our analysis capabilities and research tools can support the needs of delivery teams;
6. Delivering a positive profile of the organisation, our partners and region to international, national, regional and local audiences - ranging from the media, our communities, and businesses, to international investors, National Government decision makers and specific influencers. All to encourage investment in our region and greater opportunity for those who live and work here. Also to enhance confidence in the Combined Authority, the LEP and its partners to more readily achieve our strategic objectives;
7. Engaging with people, communities and businesses to ensure that our policies are shaped by local views and local evidence;
8. Leading on strategic engagement with key regional, national and international audiences and influencers to secure our Inclusive Growth, Strategic Transport investment, Devolution, Investment and Productivity aims;
9. Delivering marketing projects and campaigns that directly support our aims and objectives and the services we offer.

The above work is **delivered** by two services:

- A **Strategy and Policy** service (led by Heads of Transport and Economic Policy, and Research and Intelligence). The team is flat and flexible, consisting of Managers who own specific areas, supported by a team who can flex and surge depending on priorities. The team is organised around clusters shaped by the organisation's Policy Framework – Transport and Connectivity, Place, and Business and Workforce and supported by a flexible and expert Research and Intelligence team;
- A **Communications and Marketing** service led by a Head of Communications consisting of a flat structure of Communications managers with a flexible pool of Communications, Engagement & Marketing officers that can work across different needs and projects as required. The teams cover all aspects of a modern communications function including - External Affairs and Media Relations, Marketing, Internal Communications, Public Engagement, Digital Marketing & Communications, Design and project-specific teams such as City Connect, Skills and Trade & Investment.

2019/20 Strategy Priorities
Strengthen our local powers and secure investment to maintain and enhance the CA's investment in the region (currently c.150m a year) , by continuing to make the case for devolution, successfully securing bids, and influencing the future shape and size of the UK Shared Prosperity Fund.
Maximise the delivery of the current ESIF programme to 2020 , by ensuring that we allocate the full sum of money to support our priorities.
Development over the course of 2018/19 of a single, bold City Region Strategic Framework (including the development of Local Inclusive Industrial Strategy) which will be owned by both the LEP and CA with inclusive growth at its core (This will be an agile, long-term framework aimed at driving growth, boosting productivity and earning power for a post 2030 economy. This will be produced in partnership with key stakeholders including Districts, Universities, and business representative groups)
Influencing pan-northern economic policy: Development and implementation of the NP11 policy and research programme (policy advisory role to LEP Chair and wider group)

2019/20 Business, workforce and productivity priorities:
Drive improved productivity across the City Region's business base and ensure the benefits result in an inclusive economy, with proposals to enhance the region's digital and innovation capabilities and improved skills, by developing ambitious proposals to improve productivity, deliver a Digital Framework and develop a strategy for innovation.
Develop proposals to support extraordinary economic growth and enhance the region's business base and job creation, including on business finance and inward investment
Conduct a review of the local skills system to assess the current performance of the system, identify future challenges, set out a coherent blue print for a reformed system that can meet needs more effectively at both local and national level, inform the national policy debate; and develop the CA's thinking around the powers and responsibilities.
Develop with partners specific elements of sub regional public policy including on health and social care, children and young people and inclusive growth
2019/20 Place priorities:
Deliver improvements to Place to deliver inclusive and clean growth, including strategic input to local and regional strategies, ambitious strategies and delivery plans for energy and green and blue infrastructure, digital connectivity, and development of interventions for flood mitigation
Ensure alignment of Local Plan spatial priorities with strategic spatial priorities and strategic infrastructure investment decisions, working with partner councils and enhancing joint working arrangements
Support delivery of housing growth to reach the upper range of 13,000 homes a year as outlined in the Strategic Economic Plan, by promoting the LCR Housing Vision, prospectus and pipeline.
2019/20 Transport priorities:
Development of an integrated 'City Region' Transport Network including the development of Inclusive Growth Corridor Plans and mass transit proposals leading to the development of a LCR Connectivity Strategy
Develop an ambitious Transforming Cities Fund submission which helps deliver our targets and indications and meets partners expectations

Develop the policies within the WY Transport Strategy 2040 into action and evaluation plan including embedding Healthy Streets, developing our approach to air quality, aligning the LTP funding to meet objectives, developing a freight policy and create a 'State of Transport' report.
Develop a pipeline of road schemes
Develop Local Cycling and Walking Infrastructure plans and pipeline.
Shape the development of national rail schemes (including Leeds Station, High Speed Two, Northern Powerhouse Rail, Calder Valley improvements, Trans Pennine Route Upgrade and East Coast Mainline)
Ensure WYCA's priorities for short term rail operations are delivered e.g. rail performance, maintenance and through franchise service changes are met.
Develop and establish a new WYCA rail plan and pipeline of schemes to support rail patronage growth and customer experience
Support an increase in bus patronage and customer satisfaction including a new Voluntary Alliance, a review of bus services and infrastructure in the context of reducing revenue budgets
Shape Transport for the North's strategy and investment programme.
Developing and testing future mobility options including agreeing and implementing a digital payment strategy, identifying risks, impacts and opportunities of Autonomous Vehicles and trialling demand responsive passenger services.
2019/20 Research and Intelligence priorities:
Develop our information and intelligence assets to support the corporate and business plan needs of the organisation, including leading development of economic research work to support monitoring and impact assessment of UK departure from EU on LCR businesses and households, and enhancing evidence bases for Industrial Strategy and Inclusive Growth.
Drive the development of project evaluation and economic appraisal , including leading economic business case assessments, and monitoring to support West Yorkshire Transport Strategy and Connecting Leeds
Drive the development and management of the CA's spatial intelligence assets to support the corporate and business plan priorities of the CA , including developing and implementing a Spatial and Location Intelligence Strategy and data platform for self-service access to spatial and local economic data.
Raise the profile of CA evidence advocacy across key policy areas
Ensure the CA and LEP's analytical capability can respond to key operational and reactive requirements, including inward investment, bid development, monitoring and impact assessment.

2019/20 Communications and marketing priorities:
To establish a regional Public affairs function & strategy – (Equivalent Agency Value EAV £1.5m) (NEW)
To establish a regional and coherent local place based narrative programme – (EAV £0.5m) (NEW)
To establish LCR as a centre for people based Digital & Tech development – (EAV £0.35m) (NEW)
Market services and delivery of CAs, initiatives and programmes (BAU)
Use of full service digital engagement, marketing and communications function delivering efficient and valued engagement channels (BAU)
Create a strategic communications and external affairs function promoting inclusive growth measures, policy choices & the region (BAU)
Establish an ongoing partnership programme in priority of order: (BAU)
Use internal communications to embed the organisation's values & Enable Transformation (BAU/NEW)

Policy, Strategy and Communication budget summary: DRAFT FIGURES	£
Net revenue requirement	4,759,920
Gross revenue expenditure	6,509,153

DRAFT POLICY, STRATEGY AND COMMUNICATIONS KPI's : TO BE UPDATED

Proposed Indicator	Target	Measure	Notes
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

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Proposed Indicator	Target	Measure	Notes
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

RESOURCES VISION

Enabling the right solution

In 2019 the resources teams will be valued business partners to the rest of the organisation, operating systems and processes that are clearly defined and well understood with principles around self service and access to information that make them easy to use and that form the centrepiece of strong governance and accountability. ICT systems will be integrated, with all resources teams working together to ensure a unified offer to the organisation. Internal strategies and policies will embed the principles of inclusive growth with the Combined Authority demonstrating best practice in procurement and talent acquisition to champion those aims itself. This will enable clarity around expectations and responsibilities between managers across the organisation and support services.

Teams will be resilient and agile with structures enabling rapid redeployment across the team to respond to the changing needs of the organisation and with the skill sets to support the varied and growing agenda. The values and behaviours will be embedded in how the teams do business for both internal and external customers and both the added value and value for money they deliver for the Combined Authority will be clear.

2019/20 Resources Directorate Overview

In 2019/20 the Resources Directorate will continue to deliver supporting services to the rest of the organisation in order to enable overall organisational objectives to be met. In addition to these business as usual functions, the Directorate will also continue to deliver a programme of change activities which will include the following cross-cutting activities:

- Embedding a culture of integrated working across Resources Teams to provide a unified offer for internal customers which is 'best in class'
- Review and enhance organisational design structures for each team to ensure these are delivering what was intended
- Embedding the partnering approach across all Resources services that shifts from transactional to strategic support.
- Embed Inclusive Growth principles across Resources team's policies, in particular procurement and HR and to include consideration of living wage foundation accreditation.
- Further deliver and embed improved internal governance arrangements, including arrangements for a LEP with revised geography
- Development of new HR and Finance ICT systems to further embed self service and improve efficiency in working practices
- Further develop and embed customer service principles/ways of working
- Further embed Flexible Ways of Working
- Deliver ICT improvements through the Corporate Technology Programme
- Produce improved management information to drive better decision making and compliance.

2019/20 Team Priorities

2019/20 Finance Team Priorities

Ongoing provision of Financial services and support including:

- Coordinating and reporting on statutory compliance activities,
- Annual budget planning process and ongoing monitoring activities
- Financial and management accounting
- Invoicing
- Debtor management
- Payroll
- Grant administration
- Financial reporting and advice

Additional service transformation activities:

- ↗ Detailed analysis of finance/budget/HR system requirements to feed into new system specification
- ↘ Soft market testing of financial systems market
- Review and update of key financial policies / processes and user documents
- Finance manual development
- Further embed and review that OD Phase 1 is achieving expected outcomes.

2019/20 Corporate Planning and Performance Team Priorities

Ongoing Corporate Planning and Performance activities including:

- Annual business planning process
- Monitoring progress against corporate priorities
- Corporate risk management and monitoring activities
- Business continuity planning and testing
- Management information reporting and monitoring

Additional service transformation activities:

- Programme management and support for the corporate transformation programme

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- Providing support to key corporate projects including the Wellington House office accommodation and flexible working project and the Corporate Technology Programme
- Further digitising key corporate processes in association with roll out of new technology through the Corporate Technology Programme

2019/20 Procurement Team Priorities

Day to day procurement and contract management support:

- Delivery of 40 individual procurement projects to support the delivery of organisational goals
- Delivery of 10 strategic procurement projects to support delivery of corporate strategy
- Routine purchasing support
- Procurement pipeline planning
- Management of framework agreements
- Contract management activities
- Spend analytics and reporting

Additional service transformation activities:

- ▶ People: Establish a mechanism for flexible procurement resource to fluctuating and rapid response requirements.
- ▶ Review team structure against future resource demands.
- Embed new improved processes including standard procurement document suite and procurement card usage and Improve systems to support efficient processes
- Inclusive Growth / Social Value: ensuring Inclusive growth principles embedded into Procurement Strategy; implementing agreed social value criteria; introduce minimum standards for suppliers and common standards for contract management to reflect Inclusive Growth principles and reviewing “Good Growth Procurement Policy”
- Implement foundations for Stakeholder Management: Including undertaking supplier training with partners; implementing supplier self-service; review current collaborations and amend where needed; update internet site with “doing business with” and “how to” guides with FAQs.
- Roll out new Contract Management toolkit

2019/20 Governance Service Team Priorities

Ongoing Governance services support:

- Overseeing the governance of the Authority and ensure effective, accountable and transparent decision making at both a political and officer level
- Undertaking the statutory role of Monitoring Officer
- Supporting members, all Boards and Committees and the development of new arrangements for the new LEP geography
- Overseeing and coordinating the production of agendas and reports ensuring papers are prepared in sufficient time and effectively considered
- Publishing agendas and minutes in accordance with the statutory and procedural requirements
- Supporting other key meetings outside the formal decision-making process and preparing minutes including Leaders, Chief Execs and Directors of Development
- Managing and administering the Authority's and the LEP's Codes of Conduct, maintaining registers of Interests and Gifts and Hospitality in accordance with statutory requirements and agreed procedures.
- Providing advice and guidance to members and co-opted members of procedure rules and legislation relating to the codes of conduct, declarations of interest and conduct of meetings
- Supporting Overview and Scrutiny including the role of statutory Scrutiny Officer

Additional service transformation activities:

- Increasing information and self service for customers including guides, toolkits and online documents and templates
- Introduce a programme of training/workshops/drop ins to increase the number of reports that are right first time for both committees and officer groups
- Review transparency/publication requirements and opportunities for continuous improvement

2019/20 Legal Services Team Priorities

Ongoing Legal support services including:

- Support all areas of the business directly via a business partnering model
- Projects, procurement & contracts: providing advice and support to all schemes and projects, grant programmes and matters with a contractual element including state aid and commercial advice
- Property, planning & compulsory purchase: providing advice and support in relation to both the Authority's own asset portfolio and also in relation to projects and schemes
- Regulatory: providing advice and support in relation to all regulatory and compliance matters including health & safety, employment and litigation (including debt recovery and insurance claims)
- Governance: providing advice and support in relation to decision-making arrangements
- Devolution proposals – provide the lead legal advisor role across the WY districts

Additional service transformation activities:

- **Utilise the intranet** to improve the efficiency of L&GS with a focus on:-
 - Greater promotion of services/expertise available to improve customer understanding
 - Increasing the number of self service guides, toolkits and online documents and templates
 - **Information Governance** – embed further data protection measures across the organisation
 - Embed further integrated **legal/procurement processes**

2019/20 Human Resources Team Priorities

Ongoing HR support and strategic advice services including:

- Policy development and advice
- Supporting directorates in day to day staffing issues
- Learning and development activities
- Welfare support
- Absence management
- Health and safety advice

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- Embed year 1 of the 5 Year Health and Safety strategy & implement year 2

Additional service transformation activities:

- Embed the business partnering model
- Increase manager self service options
- Revise and refine HR policies and procedures – further embedding values and behaviours into HR policies
- Rollout updated training programme for managers based around the employee lifecycle
- Increase number of apprentice opportunities at WYCA

2019/20 Internal Audit Team Priorities

Provision of Internal Audit services:

- Providing independent assurance to and for the organisation
- Delivering the annual audit plan
- Providing assurance mapping
- Managing counter fraud processes and policies
- Provision and review of data analytics.
- To ensure compliance with grant conditions to promote Inclusive Growth principles

Additional service transformation activities:

- Identify areas where the internal audit service can be supplemented through the engagement of bought in specialisms.
- Explore options for secondments with Local Authority and Central Government Department stakeholders
- Develop communication and understanding of the role of internal audit through the completion of a stakeholder management strategy

2019/20 ICT Services Team Priorities

ICT support services including:

- Providing supporting ICT services and advice to the organisation including
- ICT service desk service and issue resolution
- Infrastructure support
- Hardware management
- Business systems management
- Cyber security services
- Software development

Additional service transformation activities:

- Delivering the Corporate Technology Programme including projects such as:
 - End user devices to support flexible working
 - Active directory re-design
 - Cyber security & PSN compliance
 - Enhanced disaster recovery & business continuity processes
 - Website harmonisation

152

Resources budget summary: DRAFT FIGURES	£
Net revenue requirement	4,875,728
Gross revenue expenditure	5,760,728

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Indicator	Target	Measure	Notes
Finance Process improvements (though linked to System and new OD): <ul style="list-style-type: none"> ○ Process improvements – capture efficiencies created (cashable / non cashable). 	tbc		
Procurement: No. of successful legal challenges on procurement Procurement savings as a % of addressable spend (5 to 10% TBC) Procurement return on investment the savings return (should be between 5 and 10 times the cost of the team). Project Delivery - ensuring delivery of the pipeline of projects Timeliness of delivery Delivery of social value in contracts	0 tbc tbc 40 major projects Apprenticeships		Through contract mgt
Human Resources: Average absence (as % of workforce) % Increase in women in management roles (grades D-K) % increase of BAME across organisation Delivery of People Strategy	2% tbc tbc tbc	Monthly Quarterly Quarterly tbc	average for public sector currently 2.9%

Indicator	Target	Measure	Notes
Launch of and training in application of new policies	tbc	tbc	
Increase in number of apprentices	tbc	tbc	
ICT Services <ul style="list-style-type: none"> - Real-Time, Yournextbus: Vehicles Being Tracked - Core Network Up Time - Microsoft Cloud availability - CoSA availability - Service Desk open tickets - Website (external and internal) availability Delivery of Corporate Technology Programme against agreed plan	78% 99% 99% 98% 100 or less Zero tbc	Monthly Monthly Monthly Quarterly Monthly Monthly Monthly	
Internal Audit Provide an independent opinion on the effectiveness of the Combined Authority's control, risk management and governance arrangements	X% of audit programme	Quarterly	
Improve delivery of IA services.	80% positive response	Quarterly	Via audit questionnaires
Legal and Governance Meeting FOI/EIR deadlines Compliance with statutory requirements re committee agenda publication	100% 100%	Quarterly Quarterly	

Indicator	Target	Measure	Notes
Toolkits for self-service across a minimum of 2 legal areas to be produced	tbc	tbc	
Information governance improvements/GDPR compliance	tbc	tbc	
Timeliness of delivery	tbc	tbc	
Compliance with governance elements of assurance framework: LCR LEP Merged LEP			

TRANSPORT SERVICES VISION

Connecting people to places

To transform, through strong relationships with local partners and transport providers, the services provided by the CA to be efficient, community led and customer focused.

2019/20 Transport Services Overview

In 2019/20 the Transport Services Directorate will be focussed on the following overarching priorities

- Reducing cost, improving efficiency and growing income
- Making it easier for people to use our services and products
- Ensuring our services support inclusive growth in communities
- Doing the best we can for our customers
- Delivering the Combined Authority's policies and looking after its assets
- Supporting our colleagues in District Councils
- Being part of the public/ private sector transport team

2019/20 Priorities
Service Activity
<p>Support For Mobility</p> <p>Core Activity</p> <ul style="list-style-type: none"> • Enabling 20 million passenger journeys per year (approx. 15% of all bus journeys) on services commissioned under contract by the Combined Authority and liaison with bus operators to ensure the delivery of commercial bus services meets the West Yorkshire Bus Strategy • The AccessBus service enables 5,000 people with limited mobility to make independent journeys • Enabling over 40,000 young people travel on school transport services commissioned under contract by the Combined Authority • Arranging transport for SEN pupils for Wakefield Council • Procurement and management of contracts of total value £27.5 m • Delivery of education transport services under co-operation agreements with all five Councils <p>8 Priorities for 2019/20</p> <ul style="list-style-type: none"> • Develop and deliver voluntary partnership for bus services • Reduce spend on support for mobility/ bus services in line with three year budget strategy • Implement outcomes of bus network review programme in partnership with Councils • Procure and implement a new Park & Ride service at Stourton • Support delivery of Connecting Leeds bus transformation projects • Apply new policy for home to school support • Continue process of replacing MyBus services • Adapt and expand range of Education Transport services provided to Councils • Support the development of a Door to door transport Digital Hub in Leeds • Develop and implement innovative transport services including East Leeds DRT • Seek opportunities to further integrate AccessBus with health/ social care

Key Targets for 2019/20

- Reduce expenditure by 20% in line with budget strategy
- Reduce cost per mile of contracted bus services from £2 to £1.94
- Increase customer satisfaction with bus services in Transport Focus Bus Passenger Survey From 83% to 85% satisfied

Reducing the cost of travel

Core Activity

- Enabling over 155,000 under 19s to travel at half fare or less
- Enabling over 270,000 older and disabled people to travel on bus services free of charge under the national ENCTS free bus travel scheme.
- Providing reduced rail fares in West Yorkshire for older and disabled residents
- Issue and renewal of travel passes including eligibility checks
- Administration of £56m of payments to transport operators

Priorities for 2019/20

- Design and deliver new young people's concessionary fares scheme aimed at increasing bus use amongst under 25s at no increased cost to the Combined Authority

Key Targets for 2019/20

- Increase the number of bus journeys made by under 19s by 5%
- Increase percentage of concessionary passes ordered on line from 40% to 65%

Multi modal ticketing

Core Activity

- Providing the MCard range of multi modal smart travel tickets which enables customers to travel on bus and rail services around West Yorkshire. MCard has been identified as the largest smart ticketing scheme in the UK outside London
- 1.2 million MCard sales transactions per year retailed in local shops, on line, Travel Centres and business to business sales through the Travel Plan Network
- MCard is managed by a joint venture company co-owned by the Combined Authority and transport operators West Yorkshire Ticketing Company Ltd. The Combined Authority delivers the MCard under a Service Level Agreement with the ticketing company
- Administration and distribution of £32 million sales income per year

Priorities for 2019/20

- Deliver new MCard products and retail services with a focus on young people and mobile phone ticketing
- Develop services which enable digital payment for travel in line with a revised strategy to be presented to the Combined Authority Transport Committee in January 2019
- To innovate and extend the MCard product range and retail channels
- To move Combined Authority's yield on MCard from deficit to surplus

Key Targets for 2019/20

- Increase MCard sales of under 25s products (by volume and value) by 5%

Travel centres

Core Activity

- Operation of retail services at Castleford, Bradford, Halifax, Huddersfield, Leeds and Pontefract Bus Stations serving 400,000 customers per year
- Travel Centres sell ticketing products and coach holidays and provide bus station users with travel information and general enquiries
- The Combined Authority co funds the Arriva Travel Centre at Dewsbury Bus Station and provides a shop unit operated by Transdev at Keighley Bus Station
- All front line customer services (Travel Centres, Information and Bus Stations) are accredited annually by the Institute of Customer Services

Priorities for 2019/20


- Modernise the current counter sales offer to increase self service
- Devise and implement a plan to enable Travel Centres to be financially self-funding by 20/21

Key Targets for 2019/20

- Cost of Travel centre operation v income to be cost neutral by 2021
- Ensure mystery shopper scores consistently exceed 85%

Travel information

Core Activity

- Providing the Metroline contact centre 400k customer interactions pa – telephone enquiries, webchat and social media output and interaction
-  Providing the wymetro.com travel information portal. Each month this site receives over 2.5 million page views, and 60% of those pages are accessed by customers using smartphones and tablets
- Providing the real time bus information (yournextbus) system with screens at 1050 bus stops and enabling over 1 million people a year to access real time bus information on line or by scanning a bar code at a bus stop
- Providing timetable information at 14,000 bus stops bespoke to the services using each stop and posters in bus stations and key interchanges
- Publishing bus timetables and maps on line and in paper form – 3 million timetable downloads from wymetro.com pa

Priorities for 2018/19

- Deliver modernised information services in line with a revised strategy to be presented to the Combined Authority Transport Committee in March 2019
- Reduce the net cost of travel information services by 10% through efficiencies and increased income

Key Targets for 2019/20

- Ensure at least 95% of travel information enquiries to be made online
- Increase satisfaction with travel information from 80% to 84%

<p>Asset and Facilities</p> <p>Core Activity</p> <ul style="list-style-type: none"> • Operation of staffed bus stations at Bradford Interchange, Castleford, Dewsbury, Halifax, Huddersfield, Keighley, Leeds and Pontefract • Operation of a further 26 unstaffed bus stations and major interchanges • Provision and maintenance of 14,000 bus stops and 5,000 bus shelters. • Facilities management of the Combined Authority's office buildings. • Landlord services for operational and non-operational properties <p>Priorities for 2019/20</p> <ul style="list-style-type: none"> • Develop an Asset Management strategy which maximises the commercial potential of the Combined Authority's portfolio <p>Key Targets for 2019/20</p> <ul style="list-style-type: none"> • Increase proportion of asset management costs met by income to 55% • Ensure average annual expenditure per on street asset does not exceed £124 • Ensure average net cost of bus stations does not exceed £0.61 per bus departure
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162

Transport Services budget summary: DRAFT FIGURES	£
Net revenue requirement	79,924,772
Gross revenue expenditure	96,740,048

TRANSPORT SERVICES DRAFT KPI's: TO BE UPDATED

	Proposed Measure	Target	Measurement Frequency	Notes
Supporting Mobility	Bus Patronage West Yorkshire and Leeds Strategic Targets		Annual	Monitored by R&I and reported through Policy & Strategy and Connecting Leeds Programme Board
	Customer Satisfaction With Bus Services	To be set in bus alliance framework	Annual	Monitored through Transport Focus national survey
	Budget Savings Target		Monthly	
	Delivery against contract renewal and MyBus replacement programme		Quarterly	
	Cost and usage metrics for supported bus services contracts	Headline kpi - £ per mile	Annual with contract by contract vfm	Headline kpi - £ per mile
	AccessBus patronage		Monthly	
Reducing Cost of Travel	ENCTS pass usage		Quarterly	Monitored as part of smart transactions monitoring
	Young people's bus usage		Quarterly	Monitored as part of smart transactions monitoring
Multi Modal Ticketing	Cost of WYCA support to MCard in comparison to income	To be self funding in 19/20	Quarterly	

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	Proposed Measure	Target	Measurement Frequency	Notes
	Mcard sales by volume and value	5% increase	Monthly	Monitored as part of WYTCL management accounts
	Delivery against targets set in SLA with Ticketing Company		Monthly	Reported to WYTCL
Travel Centres	Cost of operation vs income	To be cost neutral by 20/21	Quarterly	
	Mystery Shopping	85% plus	Monthly	
Travel Information	% of information enquiries on line	95%	Monthly	
Assets & Facilities	proportion of asset management costs met by income	55%	Quarterly	

West Yorkshire Combined Authority - Summary 2019/20 Budget

Expenditure	Delivery £	Economic Services £	Strategy & Comms £	Resources £	Corporate £	Transport Services £	Total £
Salary & Pay Related Costs	4,300,561	3,335,913	5,448,432	3,309,380	529,184	6,204,343	23,127,813
Indirect Employee Related Costs	450	3,500		383,000			386,950
Premises Related Costs						6,221,276	6,221,276
Travel, Transport & Subsistence Related Costs	3,500	31,097	20,000	6,500	4,000	40,490	105,587
Member Related Costs				152,000	68,000	1,168	221,168
Office Supplies & Services				54,800		455,950	510,750
ICT & Telephony Costs	50,000		58,971	1,389,680		1,092,067	2,590,718
Professional & Consultancy Fees	200,000	1,124,068	260,000	148,600	66,610	370,600	2,169,878
Corporate Subscriptions				9,468	19,500	3,515	32,483
Marketing & PR Costs		474,931	610,500			244,891	1,330,322
Insurance				304,900			304,900
Operator Payments (Transport)						25,601,325	25,601,325
Concessions						56,422,000	56,422,000
Additional Pension Costs					2,301,600		2,301,600
Financing Charges					5,570,000		5,570,000
Grants		2,333,829					2,333,829
Other Miscellaneous Costs	500	5,781,804	646,250	2,400	405,500	82,424	6,918,878
Contribution to External / Related Parties					292,261		292,261
Staff Vacancy Savings Target			(535,000)		(600,000)		(1,135,000)
Total gross revenue expenditure	4,555,011	13,085,142	6,509,153	5,760,728	8,656,655	96,740,048	135,306,738
Direct cost contribution							
Govt grants and awards		(10,537,279)					(10,537,279)
Bus services operator grant						(2,063,592)	(2,063,592)
Education Contribution to Transport						(6,768,000)	(6,768,000)
Bus Station - Tenant Income						(1,585,431)	(1,585,431)
Bus Station / Services Income (PPT, Depart Chgs)						(2,828,798)	(2,828,798)
Admin Recovery (Staff Secondments)			(241,000)			(2,144,536)	(2,385,536)
Capital recovery	(4,733,566)	(882,664)	(1,158,233)	(885,000)		(375,000)	(8,034,463)
Other third party income		(484,997)	(350,000)		(20,000)	(1,049,920)	(1,904,917)
Net revenue requirement	(178,555)	1,180,203	4,759,920	4,875,728	8,636,655	79,924,772	99,198,723
Funding available							
Rail Income							(790,200)
LEP General Funding Income							(1,234,000)
Growing Places Fund Interest							(300,000)
Enterprise Zone Receipts							(1,858,320)
Transport Levy							(93,198,000)
Net Expenditure Total							1,818,203

Total approved by the Combined Authority (1/2/18)

1,198,646

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