

WEST YORKSHIRE COMBINED AUTHORITY

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 14 FEBRUARY
2019 IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50
WELLINGTON STREET, LEEDS**

A G E N D A

1. APOLOGIES FOR ABSENCE

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

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

**3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE
PRESS AND PUBLIC**

**4. MINUTES OF THE MEETING OF THE COMBINED AUTHORITY
HELD ON 13 DECEMBER 2018**

(Pages 1 - 24)

For Decision

5. RAIL UPDATE

(Member lead: Cllr J Blake, Director: Dave Pearson)

(Pages 25 - 30)

**6. TRANSPORT FOR THE NORTH STRATEGIC TRANSPORT
PLAN**

(Member lead: Cllr J Blake, Director: Alan Reiss)

(Pages 31 - 36)

7. BREXIT UPDATE

(Member lead: Cllr S Hinchcliffe, Director: Alan Reiss)
(Pages 37 - 44)

8. CAPITAL SPENDING AND PROJECT APPROVALS

(Member lead: Cllr P Box, Director: Melanie Corcoran)
(Pages 45 - 90)

9. BUDGET AND BUSINESS PLAN 2019/20

(Pages 91 - 186)

10. DEVOLUTION

(Member lead: Cllr S Hinchcliffe, Director: Alan Reiss)
(Pages 187 - 192)

11. STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS

(Member lead: Roger Marsh, Director: Alan Reiss)
(Pages 193 - 196)

12. LOCAL ASSURANCE FRAMEWORK UPDATE

(Member lead: Cllr P Box, Director: Melanie Corcoran)
(Pages 197 - 276)

13. CORPORATE PLANNING AND PERFORMANCE

(Member lead: Cllr S Hinchcliffe, Director: Angela Taylor)
(Pages 277 - 288)

14. GOVERNANCE ARRANGEMENTS

(Member lead: Cllr S Hinchcliffe, Director: Angela Taylor)
(Pages 289 - 292)

For Information

15. HS2 CONSULTATION

(Pages 293 - 314)

16. MINUTES FOR INFORMATION

(Pages 315 - 316)

Signed:



**Managing Director
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON THURSDAY, 13 DECEMBER 2018 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Barry Collins (Substitute)	Calderdale Council
Councillor Judith Blake CBE	Leeds City Council
Councillor Peter Box CBE	Wakefield Council (to minute 70)
Councillor Stewart Golton	Leeds City Council
Councillor David Hall	Kirklees Council (to minute 69)
Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor John Pennington	Bradford Council
Councillor Andrew Waller	City of York Council

In attendance:

Richard Thorpe	MHCLG (minute 78)
Ben Still	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Alan Reiss	West Yorkshire Combined Authority (minute 65)
Angela Taylor	West Yorkshire Combined Authority (minute 68)
Heather Waddington	West Yorkshire Combined Authority (minute 78)
Jacqui Warren	West Yorkshire Combined Authority (minute 78)
Patrick Bowes	West Yorkshire Combined Authority (minute 78)
Ruth Chaplin	West Yorkshire Combined Authority

56. Apologies for Absence

Apologies for absence were received from Councillors Shabir Pandor and Tim Swift.

57. Declarations of Disclosable Pecuniary Interests

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

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

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 3 to Agenda Item 6 and Appendix 1 to

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

59. Chair's Comments

The Chair advised that Councillor Tim Swift had sent his apologies as he was receiving his MBE and Members offered their congratulations on his award.

60. Minutes of the Meeting of the Combined Authority held on 11 October 2018

Further to minute 50, Rail Performance and Governance Update, Councillor Blake advised that she had raised the Combined Authority's concerns in respect of rail performance at the Transport for the North Rail North Committee. She also reported that Jo Johnson had resigned and been replaced by Andrew Jones, MP for Harrogate as the new Parliamentary Under Secretary of State for Transport. He would now be working with Councillor Blake on the Rail North Review and an update would be brought to the next meeting.

Resolved: That the minutes of the meeting of the West Yorkshire Combined Authority held on 11 October 2018 be approved and signed by the Chair.

61. Brexit/Autumn Budget Implications

The Combined Authority considered a report of the Director of Policy, Strategy and Communications which:

- Provided an update on continuing organisational work to support preparations for the UK's exit from the European Union.
- Provided an update on the latest intelligence relating to the Government's proposed transition deal.

It was noted that although the Autumn Budget had not provided any clarity on key funding and policy going forward, the Government had announced that the competitive element of the Transforming Cities Fund will be increased by £440 million.

The key messages that have been communicated to Government seeking potential flexibilities to support future delivery and additional capacity development in forward planning was outlined in the report. Members also noted the summary of detailed impact assessment work which had been undertaken by the Bank of England and HM Treasury.

Members discussed the importance of continuing to support businesses, people and communities and to ensure that they are aware of the Combined

Authority and LEP's activities to support business in developing products and providing services. It was reported that Councillors Judith Blake and Peter Box were members of the Government's Brexit Delivery Board which was looking at the possible implications and significant impacts on future decisions and the important role local government and the Combined Authority will have. Further information will be brought to the next meeting.

In responding to the Ministry of Housing, Communities and Local Government (MHCLG) on local preparations for Brexit, the Combined Authority had emphasised that more flexibility on Growth Deal funding will be sought in order to deploy it at short notice. A copy of the letter sent to MHCLG was attached at Appendix 1.

The impact of Brexit on the City Region economy and businesses will continue to be monitored.

Resolved:

- (a) That the report be noted.
- (b) That the funding update and announcement relating to the allocation of the Transforming Cities Fund be noted.
- (c) That the key messages from the latest Brexit economic impact work undertaken by HM Treasury and the Bank of England be noted.

62. Capital Spending and Project Approvals (considered at Investment Committee on 7 November 2018)

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

- Project Lapwing
- A61S Bus Priority Corridor
- Stourton Park and Ride
- Elland Road Park and Ride
- Leeds Enterprise Zone Power Solution
- A650 Bradford to Keighley Corridor (Hard Ings)
- York Outer Ring Road Phase 2 (Monks Cross)

Members also considered the following schemes which have had change request reports assessed in line with the Combined Authority's assurance process and also been considered and recommended by the Investment Committee for approval:

- Rail Park and Ride Programme Phase 1
- Outwood Station Park and Ride

Details of all the schemes were provided in the submitted report and it was noted that these had been considered and recommended for approval by the Investment Committee at their meeting held on 7 November 2018.

Resolved:

(a) In respect of Project Lapwing –

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

- (i) That the Lapwing project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval to the Combined Authority's contribution of £1million (which will be funded through the Local Growth Fund's Strategic Inward Investment Fund) is given with full approval to spend being granted, once the scheme has progressed through the Assurance Process to decision point 5 (full business case with finalised costs).
- (iii) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

(b) In respect of A61S Bus Priority Corridor , Leeds –

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

- (i) That the A61 South project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval to the total project value of £14.15 million is given from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's

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

(c) In respect of Stourton Park and Ride –

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

- (i) That the Stourton Park and Ride project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval is given to the total project value of £30.1 million, of which £27.3 million will be funded by the Combined Authority from the Leeds Public Transport Investment Fund, with full approval to spend being granted once the scheme has progressed through the Assurance Process to decision point 5 (full business case with finalised costs). This indicative approval is subject the scheme being successful in gaining ERDF funding for the scheme. In the event that the ERDF bid is not successful an indicative approval of £25.4 million from the Leeds Public Transport Investment Fund will be applied.
- (iii) That further development costs of £635,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs).
- (iv) That the Combined Authority enters into an addendum to the existing funding agreement with Leeds City Council to increase by £635,000 from the Leeds Public Transport Investment Fund.
- (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

(d) In respect of Elland Road Park and Ride Phase 3 –

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

- (i) That the Elland Road Park and Ride Phase 3 project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval to the total project value of £5.75 million is given to be funded from the Combined Authority from the Leeds Public Transport Investment Fund with full approval

to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).

- (iii) That further development costs of £165,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total development cost expenditure approval to £410,000.
- (iv) That the Combined Authority enters into an addendum to the existing Funding Agreement with Leeds City Council to increase by £165,000 from the Leeds Public Transport Investment Fund for expenditure of up to £410,000.
- (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

(e) In respect of Leeds Enterprise Zone Power Solution –

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

- (i) That the project proceeds through decision point 4 (full business case) and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval to the total project value of £5 million is given which will be funded by the Combined Authority from the Local Growth fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

(f) In respect of A650 Bradford to Keighley Corridor (Hard Ings) –

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

- (i) That the Hard Ings Road Improvements, Keighley project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs)
 - (ii) That an indicative approval to the total project value of £10.3 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs)
 - (iii) That further development costs of £2.718 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) to be funded from the West Yorkshire plus Transport Fund, taking the total project approval to £3.86 million.
 - (iv) That the Combined Authority enters into an addendum to the existing funding agreement with Bradford City Council for expenditure of up to £3.86 million from the West Yorkshire plus Transport Fund
 - (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (g) In respect of York Outer Ring Road Phase 2 (Monks Cross) –
- That following a recommendation from the Investment Committee, the Combined Authority approves:
- (i) That the York Outer Ring Road Phase 2 project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs)
 - (ii) That an indicative approval to Phase 2 to the value of £3.585 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

(h) In respect of the Rail Park & Ride Programme Phase 1 –

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

- (i) That the change request to the Rail Park & Ride Programme phase 1 re-programming and re-allocation of funds within the programme is approved. This highlights as to which schemes will progress in phase 1 and which schemes will be moved into phase 2.
- (ii) That development costs of up to £150,000 for the Ben Rhydding scheme from West Yorkshire plus Transport Fund are approved, subject to confirmation from the City of Bradford Metropolitan District Council that land will be made available.
- (iii) That the Rail Park and Ride Phase 1 programme-level expenditure approval will increase from £1.161 million to £1.701 million to be funded from the West Yorkshire plus Transport Fund.
- (iv) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report. This will be subject to the scheme remaining within the tolerances outlined in the report.

(i) In respect of Outwood Station Park and Ride –

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

- (i) That the change request to extend the scope at Outwood Rail Station is approved to include the provision of an access road.
- (ii) That indicative approval is given to the revised scheme costs of £1.540 million which will be funded from the West Yorkshire plus Transport Fund.
- (iii) That additional development costs of £29,400 are approved taking the total expenditure approval for project development to £140,000.
- (iv) That the Combined Authority enter into a funding agreement with Wakefield Council for expenditure up to the value of £130,000.
- (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

63. Capital Spending and Project Approvals (considered at Investment Committee on 5 December 2018)

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

- Investor Readiness Support Programme
- Transformational – A1620 Leeds Northern Outer Ring Road Improvements
- Corridor Improvement Programme Phase 1 – A647 Dawsons Corner
- Corridor Improvement Programme Phase 1 – Dyneley Arms
- Corridor Improvement Programme Phase 1 – Fink Hill scheme
- Corridor Improvement Programme Phase 1 – A650 Newton Bar
- Institute of High Speed Railways and System Integration – Phase 1

Councillor Box provided an update on the schemes as they had been considered by the Investment Committee on the same day as the Combined Authority agenda was published. He advised that all the schemes presented were recommended by the Investment Committee to the Combined Authority for approval.

In discussing the High Speed Railways and System Integration scheme, it was reported that the Investment Committee had deferred consideration of the item from their November meeting pending further information being provided. A presentation had been given at the December meeting and, in recommending the scheme to the Combined Authority for approval, the Investment Committee had asked that it be noted that the Combined Authority's contribution to the scheme will be capped at £13.047 million regardless of any future increases to the total scheme costs.

Members also considered the Business Growth Programme which has had a change request report assessed in line with the Combined Authority's assurance process. This had also been considered and recommended by the Investment Committee for approval.

Resolved:

- (a) In respect of the Investment Readiness Project –

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

- (i) That the Investment Readiness project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval to the Combined Authority's contribution of £1.429 million is given (which will be funded from £714,500 from the Leeds City Region Business Rates Pool and £714,500 from ESIF), with Full Approval to spend being granted once the scheme has progressed through the

Assurance Process to Decision Point 5. The total project value is £1.429 million with funding already secured.

- (iii) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team subject to the scheme remaining within the assurance tolerances outlined within the report.

- (b) In respect of the Transformational – A6120 Leeds Northern Outer Ring Road Improvements, Leeds –

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

- (i) That the A6120 Leeds Northern Outer Ring Road Improvements (A647 to A65) proceeds through decision point 2 and work commences on the feasibility study.
- (ii) That an expenditure approval is given to the total value of £392,500 to Leeds City Council to fund a feasibility study.
- (iii) That the Combined Authority enter into a funding agreement with Leeds City Council for expenditure of up to £392,500 to be funded from the West Yorkshire plus Transport Fund.
- (iv) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

- (c) In respect of Corridor Improvement Programme Phase 1 – A647 Dawsons Corner –

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

- (i) That the Dawson's Corner project proceeds through decision point 3 and work commences on activity 4 (full business case).
- (ii) That an indicative approval is given to the total project value of £20.159 million, with the Combined Authority's contribution of £19 million (which will be funded through £15 million from the CIP Phase 1 fund and £4 million from the LPTIP fund) is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5

(full business case with finalised costs). The total project value is £20.159 million.

- (iii) That development costs of £1.599 million, (including £499,000 additional development costs and £1.1 million land assembly costs) are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the approval to £2.607 million
 - (iv) That the Combined Authority issue an addendum to the existing funding agreement with Leeds Council for additional expenditure of up to £1.599 million from the West Yorkshire plus Transport Fund taking the total value to £2.607 million.
 - (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (d) In respect of Corridor Improvement Programme Phase 1 – Dyneley Arms –

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

- (i) That the Dyneley Arms junction project proceeds through decision point 3 and work commences on activity 4 (full business case) and 5.
- (ii) That an indicative approval to the total project value of £2.747 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs)
- (iii) That additional development costs of £373,000 (which include £250,000 for land assembly) are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total approval to £775,000.
- (iv) That the Combined Authority issues an addendum to the existing funding agreement with Leeds Council for additional expenditure of up to £373,000 from the West Yorkshire plus Transport Fund (giving a total funding agreement value of £775,000).
- (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report through a delegation to the Combined Authority's Managing Director following a recommendation by

the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

- (e) In respect of Corridor Improvement Programme Phase 1 – Fink Hill scheme –

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

- (i) That the Corridor Improvement Programme Phase 1 Fink Hill project proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- (ii) That an indicative approval to the total project value of £4.150 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) That additional development costs of £404,000 are approved in order to progress the scheme to decision point 4 (full business case) taking the total project approval to £519,000.
- (iv) That the Combined Authority enter into an addendum to the existing funding agreement with Leeds City Council for additional expenditure of up to £404,000 from the West Yorkshire plus Transport Fund taking the total value to £519,000.
- (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject remaining within the tolerances outlined in the report.

- (f) In respect of Corridor Improvement Programme Phase 1 – A650 Newton Bar scheme –

That the Combined Authority approves

- (i) That the Corridor Improvement Programme Phase 1 A650 Newton Bar project proceeds through decision point 3 and work commences on activity 4 (full business case).
- (ii) That an indicative approval to the total project value of £6.752 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).

- (iii) That development costs of £129,800 are approved in order to progress the scheme to decision point 4 (full business case) taking the total project approval to £204,800.
 - (iv) That the Combined Authority enters into an addendum to the existing funding agreement with Wakefield Council for additional expenditure of up to £129,800 from the West Yorkshire plus Transport Fund taking the total value to £204,800.
 - (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report (including through delegation to the Combined Authority's Managing Director at decision points 4 and 5) following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (g) In respect of Institute of High Speed Railways and System Integration (IHSRSI) –

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

- (i) That the Institute for High Speed Rail and System Integration scheme Phase 1 proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
 - (ii) That an indicative approval to the Combined Authority's contribution of £13.047 million is given, which will be funded through over-programming against the Local Growth Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total Phase 1 value is £26.093 million (The University of Leeds will contribute match funding of £13.047 million). The Combined Authority's contribution is capped at £13.047 million regardless of any future increases to the total scheme costs.
 - (iii) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report
- (h) In respect of the Business Growth Programme –

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

- (i) That the change request to the Business Growth Programme is approved to provide additional £7 million of funding to the Business Growth Programme. This will be funded from over programming against the Local Growth Fund. This would take the expenditure approval for the total programme to £34 million.
- (ii) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report. This will be subject to the scheme remaining within the tolerances outlined within the report.

64. Planning for Growth: The Leeds City Region Connectivity Strategy

The Combined Authority considered a report of the Director of Policy, Strategy and Communications on Planning for Growth: The Leeds City Region Connectivity Strategy which:

- Provided an update on the ongoing development of the Inclusive Growth Corridor Programme which will help shape the future connectivity pipeline across all modes of transport serving the Leeds City Region.
- Sought endorsement for 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).
- Sought endorsement for establishing a member working group to oversee the development of the emerging City Region Transit Network.
- Sought the Combined Authority's continued endorsement for the oversight of the Connectivity Strategy, including role of Mass Transit, to be delegated to the Transport Committee.

The report provided an update on the development of the Leeds City Region Connectivity Strategy. A copy of a report, which had been considered by the Transport Committee at its meeting held on 9 November 2018, was attached at Appendix 1.

It was noted that no commitment was being made at this stage to develop a mass transit system, and more work would need to be undertaken around demand and a business case analysis. It was proposed to open a conversation with the public and stakeholders on solutions to future capacity requirements and delivering inclusive growth. The proposals were welcomed but discussion highlighted that there was no reference to Calderdale and parts of Kirklees in the maps provided and it was noted that work was underway to address this. It was stressed that the new transport

routes must be evidence based and provide benefits to the whole region and also that current connectivity should be taken into account.

It was reported that the HS2 Environmental Impact Report had been published and a copy of the Combined Authority's response to the consultation would be circulated to Members prior to its submission. A report would be brought to the next meeting.

It was agreed that the Transport Committee continue to oversee the development of the Connectivity Strategy and that a member working group be established. Progress reports would be brought to future meetings.

Resolved:

- (a) That the ongoing development of the Inclusive Growth Corridor Programme which will help to shape the future connectivity pipeline across all modes of transport serving the Leeds City Region as set out in Appendix 1 to the submitted report be noted.
- (b) That 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) be endorsed.
- (c) That the establishment of a member working group to oversee the development of Connectivity Strategy and Mass Transit be endorsed.
- (d) That the Transport Committee continue to oversee the Connectivity Strategy, including the role of Mass Transit, with further updates brought to the Combined Authority throughout 2019.

65. Transforming Cities Fund

The Combined Authority considered a report of the Director of Policy, Strategy and Communications on the Transforming Cities Fund (TCF) which

- Provided an update on Transforming Cities Fund.
- Sought endorsement to the continuation of the Transforming Cities Fund member working group sessions to oversee the development of the Transforming Cities Fund stage 2 submission.
- Sought agreement for the Combined Authority's Managing Director, in consultation with the Chair of the Combined Authority and Chair of the Transport Committee, to submit the 'small bid'.
- Sought delegated authority for the Transport Committee to oversee and submit the 'big bid' and the Future Mobility bid.
- Sought approval to spend the £50,000 grant funded by the Department for Transport to support the development of the Stage 2 bid.

It was reported that the Transforming Cities Fund had been updated in the recent Budget announcement and the Government had now made a total of £1.28 billion available and extended the period to 2022-23. The key points arising from the announcement were outlined in the submitted report which had included confirmation that West Yorkshire had been successful in reaching stage two of the application process.

The Combined Authority's bid on behalf of the Leeds City Region for stage 1 had focussed around 3 themes and detailed proposals would be developed for the stage 2 submission. The Department for Transport (DfT) had made a contribution of £50,000 which would support the development of three bids, a 'small', 'big' and 'future mobility' bids, as part of the stage 2 submission. The DfT had released guidance for the 'small bid' which would have a value of up to £10m. This has to be submitted by 4 January 2019 and it is expected that a decision will be made by February 2019. In view of the timescales, it was proposed that a Member working group be convened at the earliest opportunity to consider the scope of the small bid. Information would be circulated to all Members of the Combined Authority and the transport Portfolio Holders. It was agreed that the submission of the 'small bid' be delegated to the Combined Authority's Managing Director in consultation with the Chairs of the Combined Authority and Transport Committee.

In welcoming the opportunities the Transforming Cities Fund provided, it was requested that it be made clear to Government that a longer timeframe should be sought for such transformational programmes. Assurances should also be sought for year on year investment to provide more certainty. In respect of long term investment, it was reported that the City of York had submitted a bid for retrofitting buses which will be an issue affecting all parts of the City Region and was important for air quality and the economy through the jobs created.

A 'task and finish' working group had been set up to shape the stage 1 submission and it was proposed to continue with this approach for the development of stage 2 with representation widened to include North Yorkshire authorities.

Resolved:

- (a) That the progression of the Leeds City Region Transforming Cities Fund bid to the stage 2 co-development phase be noted.
- (b) That the setting up of further on-going member working groups to support the development of the Leeds City Region stage 2 Transforming Cities Fund bids be endorsed.
- (c) That the Combined Authority's Managing Director in consultation with the Chairs of the Combined Authority and Transport Committee submit the 'small bid' in consultation with the Chairs of the Combined Authority and Transport Committee.

- (d) That the Combined Authority delegates authority to the Transport Committee to oversee and submit both the 'big bid' and the 'Future Mobility bid'.
- (e) That the Combined Authority grants approval to spend the £50,000 contribution made available by the Department for Transport to support the development of the Stage 2 bids.

66. Policy Developments

The Combined Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on the development of the Leeds City Region policy framework and recommended adoption of:

- Leeds City Region Digital Framework
- Green & Blue Infrastructure Strategy & Delivery Plan
- Energy Strategy & Delivery Plan

The report provided an update on progress with the long-term policy framework which would replace the Strategic Economic Plan (SEP) and an overview of the three strategies, copies of which were attached to the submitted report. Members welcomed the work being done and noted that the strategies would replace the SEP with a much broader, long term policy framework which includes the Local Inclusive Industrial Strategy aimed at tackling key challenges. A copy of the policy framework was attached at Appendix 1.

In respect of the Digital Framework, it was reported that working groups will be established to ensure the aspirations in the framework are realised and they will report to the Panels.

Members discussed and welcomed the ambition to be the first city region to meet the Paris Climate Agreement target. It was noted that further work would be undertaken in respect of the projects identified in the Energy Strategy and Delivery Plan to achieve this and a report would be brought to a future meeting.

It was noted that the Green and Blue Infrastructure Strategy and Delivery Plan had identified projects which will help to make the region more resilient to climate change and improve the quality of life for residents. These included natural flood management and additional investment in cycling and walking. It was noted that the Combined Authority had made an initial contribution for a shared resource to deliver the projects identified in the Green and Blue Infrastructure Strategy and Delivery Plan.

In adopting the strategies as part of the evolving policy framework, the need to link these to how people's lives could be improved was highlighted and agreed. The challenges were also noted and it was considered important to build on the strengths and achieved successes and be ready to take advantage of future funding opportunities to move towards being carbon neutral.

Resolved: That the Combined Authority adopts the following strategies:

- Leeds City Region Digital Framework
- Leeds City Region Green & Blue Infrastructure Strategy & Delivery Plan
- Leeds City Region Energy Strategy & Delivery Plan.

67. Statement of Common Ground and Strategic Planning Review

The Combined Authority considered a report of the Director of Policy, Strategy and Communications on the Statement of Common Ground and Strategic Planning Review.

The report provided details of two work streams, the Leeds City Region Statement of Common Ground (SoCG) and the Leeds City Region Strategic Planning Review.

Members considered the draft SoCG which was attached at Appendix 1. It was noted that all local planning authorities are required to produce a SoCG and this had been drafted by Combined Authority officers in partnership with the Leeds City Region partner councils. Each partner would be signatories to the document and the Combined Authority is considered an 'additional signatory' as a body who have a role in the matters covered in a statement of common ground with plan-making powers.

It was reported that the recommendations agreed in 2015 in respect of the Strategic Planning Review Update have now been updated to reflect changing governance arrangements to progress in relation to cross-boundary working. Details of the changes were outlined in the report and these had been agreed by the partner councils and recommended to the Combined Authority for approval by the Place Panel.

Resolved:

- (a) That the report be noted.
- (b) That the Combined Authority endorses and signs the Leeds City Region Statement of Common Ground (SoCG) as an additional signatory.
- (c) That the updated Leeds City Region Strategic Planning Review be endorsed and approved.

68. Draft Business Plan and Budget 2019/20

The Combined Authority considered a report of the Director of Resources which provided outlined directorate business plans and the proposed draft revenue and capital budget for 2019/20.

Members noted the draft business plans for each directorate which were attached at Appendix 1.

The draft proposed revenue budget for 2019/20 was attached at Appendix 2. It was noted that this currently shows a required use of reserves of £1.8 million, against the target previously agreed 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 an overview from the Chief Executives. Details were outlined in the submitted report and it was noted that further work was underway to close the funding gap to the previously agreed use of reserves of £1.2 million.

In respect of the LEP merger, it was reported that a bid had been made for transitional funds to meet some of the additional costs in establishing the new organisation but the outcome was not yet clear.

Councillor Groves provided an update on the joint work with bus operators in response to questions about bus fares. She advised that aside from MCard, ticketing and fares are commercial decisions taken by the operators. However this would be raised and clarification sought as part of the discussions being held with operators regarding partnership working.

In noting the draft business plan, comment was made that there should be a clearer statement of priorities alongside everyday business. It was noted that work was continuing and the final business plan and budget for 2019/20 will be brought to the next meeting on 14 February 2019 to enable the transport levy to be set in accordance with legislative requirements.

Resolved: That the work being undertaken on the draft business plan and budget proposals for 2019/20 be noted.

69. Corporate Developments

The Combined Authority considered a report of the Director of Resources on the following corporate developments which:

- Proposed governance changes in relation to the role of the Investment Committee.
- Proposed governance changes to the Leeds City Region Enterprise Zone programme.
- Proposed changes in appointments to the membership of the Combined Authority and its committees and to consider the appointment of a Chair of the Overview and Scrutiny Committee.
- Informed the Combined Authority of the recommendations of a scrutiny review conducted by Calderdale Council into its engagement and relationship with the Combined Authority and agree a formal response.
- Provided an update on corporate performance including progress against 2018/19 corporate plan priorities, risk management and the current budget position.

Members discussed the proposal for the Investment Committee to be able to make decisions on behalf of the Combined Authority in respect of

progressing schemes under the Assurance Framework to facilitate their delivery within the funding programme timescales. Details of the proposed changes were detailed in the report and the draft terms of reference and a revised bespoke assurance pathway and approval routes for the schemes were attached at Appendices 1 and 2. Members discussed the issues raised in respect of the political balance of the Investment Committee and the need to ensure projects were given the right level of scrutiny and investigation. They were advised that the intention for the proposed changes was to speed up the progression and delivery of projects. It was noted that there was geographic balance on the Committee and, in approving the changes, it was agreed that the issue of political balance would be considered further and addressed either at the Combined Authority's AGM or as part of the LEP merger.

It was noted that the Combined Authority had previously identified the need to prioritise the accelerated delivery of the EZ programme and the proposed governance changes, which had been considered by the LEP Board on 22 November 2018, were outlined in the report.

The report provided an update on changes in membership and revised schedules were attached at Appendices 3 and 4. In respect of the Overview and Scrutiny Committee it was agreed that Councillor Elizabeth Smaje be appointed as a member and Chair of the Committee following the resignation of Councillor Robert Light. In welcoming Councillor Smaje to her new role it was agreed that a letter of thanks be sent to Councillor Light on behalf of the Combined Authority.

It was noted that Bradford Council had advised that Councillor Rebecca Poulsen would replace Councillor Simon Cooke as the substitute 'balancing member' on the Combined Authority with effect from 26 October 2018.

It was reported that Calderdale Council's scrutiny boards had carried out a detailed review of their authority's engagement and relationship with the Combined Authority. The final report was endorsed by their Strategy and Performance Scrutiny Board and contained recommendations for both the Combined Authority and Calderdale Council. The report had been presented to the Combined Authority's Overview and Scrutiny Committee in September 2018 and an extract detailing the recommendations from Calderdale Council's Strategy and Performance Scrutiny Board report was attached at Appendix 5. In welcoming the report, Members considered and agreed the draft response to be sent on behalf of the Combined Authority which was attached at Appendix 6.

In respect of corporate planning and performance, Members noted the update on progress attached at Appendix 7 which included a summary of the strategic risks affecting the organisation.

A summary of the 2018/19 current spend to budget was attached at Appendix 8 and it was noted that there were currently no areas of concern to report.

Resolved:

- (a) That the Combined Authority approves amendments to the terms of reference for the West Yorkshire and York Investment Committee as set out in **Appendix 1** to the submitted report, authorising the Committee to make decisions on behalf of the Combined Authority to progress schemes under the Leeds City Region Assurance Framework, in accordance with each scheme's bespoke assurance pathway and approval route.
- (b) That the Combined Authority approves revised bespoke assurance pathway and approval routes for the schemes set out in **Appendix 2**.
- (c) That the Combined Authority approves the changes in governance arrangements for the Enterprise Zone programme as detailed in para 2.11 of the submitted report.
- (d) That the Combined Authority notes the resignation of the appointment of Councillor Robert Light as a member of the Overview and Scrutiny Committee and appoints Councillor Elizabeth Smaje as his replacement.
- (e) That the Combined Authority appoints Councillor Elizabeth Smaje as Chair of the Overview and Scrutiny Committee.
- (f) That a letter of thanks be sent to Councillor Light on behalf of the Combined Authority.
- (g) That the Combined Authority notes the termination of the appointment of Councillor Simon Cooke as a substitute Combined Authority member and that his replacement is Councillor Rebecca Poulsen with effect from 26 October 2018.
- (h) That the Combined Authority notes the updated member appointments as set out in **Appendices 3** and **4** to this report.
- (i) That the Combined Authority agrees the proposed response to the recommendations made by Calderdale Council's Strategy and Performance Scrutiny Board as set out in **Appendix 6**.

70. LEP Review Outcome

The Combined Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on the latest position in response to Government's policy positions set out in 'Strengthened Local Enterprise Partnerships'.

It was reported that following discussions both LEPs had proposed a new LEP covering the whole of West and North Yorkshire from April 2020. A transition working group is being established to take forward activity with representatives from each LEP. Membership will include the Chair and Managing Director of the Combined Authority, Chair of the LEP and Chair of

the Business Innovation and Growth Panel and the working group will operate collaboratively and transparently to examine solutions across eight workstreams outlined in the submitted report.

Members welcomed the larger geography which will put the region in a stronger position to drive economic growth and provide opportunities to bid for a share of future central government funds and Roger Marsh was thanked for his leadership in progressing the merger.

Resolved: That the Combined Authority notes the clearer local consensus on the LEP Review and that a joint Transition Working Group will take forward activity.

71. Minutes of the Inclusive Growth and Public Policy Panel held on 4 September 2018

Resolved: That the minutes of the Inclusive Growth and Public Policy Panel held on 4 September 2018 be noted.

72. Minutes of the Business Innovation & Growth Panel held on 13 September 2018

Resolved: That the minutes of the Business Innovation & Growth Panel held on 13 September 2018 be noted.

73. Minutes of the Overview & Scrutiny Committee held on 14 September 2018

Resolved: That the minutes of the Overview & Scrutiny Committee held on 14 September 2018 be noted.

74. Draft minutes of the Green Economy Panel held on 23 October 2018

Resolved: That the draft minutes of the Green Economy Panel held on 23 October 2018 be noted.

75. Draft Minutes of the Place Panel held on 24 October 2018

Resolved: That the draft minutes of the Place Panel held on 24 October 2018 be noted.

76. Draft Minutes of the Governance & Audit Committee held on 1 November 2018

Resolved: That the draft minutes of the Governance & Audit Committee held on 1 November 2018 be noted.

77. Draft Minutes of the West Yorkshire & York Investment Committee held on 7 November 2018

Resolved: That the draft minutes of the West Yorkshire & York Investment Committee held on 7 November 2018 be noted.

78. European Structural and Investment Funds (ESIF) - Sustainable Urban Development (SUD)

The Combined Authority considered a report of the Director of Resources on the European Structural and Investment Funds (ESIF) – Sustainable Urban Development (SUD).

In its role as the Intermediate Body, the Combined Authority considered the advice included in the full application assessment form at Part 2 of exempt Appendix 1 and any respective conditions outlined in Part 4a.

It was reported that the full application had been considered by the Appraisal Team, under the responsibility of the Head of Research and Intelligence from the Combined Authority. The proposals had been discussed by the Investment Committee at their meeting on 7 November 2018 and they had agreed that they appropriately addressed:

- local domestic priorities, development needs/growth conditions and opportunities.
- the contribution and value for money proposed in the context of the Operational Programme and local ESIF Strategy.
- any local issues that need to be taken into account in the development and/or delivery of the project.

It was reported that the project is considered to be sufficiently developed to enable the Managing Authority to issue a funding agreement subject to the proposed conditions set out in the assessment being fully met.

Resolved: That the Combined Authority, in its role as the Intermediate Body for the SUD part of the ESIF programme, approves the advice included in the full application assessment forms of Part 2 of exempt Appendix 1, and any respective conditions outlined in Part 4a.

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: Rail Update

Director: Dave Pearson Director, Transport Services

Author(s): Dave Pearson Director, Transport Services

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

1. Purpose of this report

- 1.1 To update the Combined Authority on the performance of the local rail service and on the industry reviews seeking to address the structural issues in the industry which are affecting passengers on a daily basis.
- 1.2 The Managing Directors of Northern and TransPennine Express together with the Regional Director of Network Rail have been invited to the meeting to explain their plans to restore confidence in the City Region's rail service.

2. Information

Punctuality, reliability and capacity performance

- 2.1 Punctuality and reliability over the Autumn period has been significantly worse in 2018 than for comparable periods in 2017. The ongoing effects of the May 2018 timetable were the major factor affecting performance together with the seasonal difficulties that the autumn leaf fall period brings on some lines within the region.

- 2.2 The railway timetables changed on 9 December 2018; many of these changes sought to address some of the structural problems arising from the May 18 timetable. Performance has improved on some lines suggesting that this objective has, in part, been successful. However passengers are experiencing poorer punctuality and reliability than they experienced in the same period in the preceding year which would suggest there remain issues to address.
- 2.3 It is notable that both Northern and TransPennine Express are due to introduce significant numbers of new trains throughout 2019. Whilst this is clearly welcome, the introduction of new trains also presents potential performance and resource risks. This is due to the necessary training and staff familiarisation work required and the new trains will need to be 'bedded-in'.
- 2.4 The poor performance of rail services was discussed at the Transport Committee on 11 January who resolved to invite the Secretary of State for Transport to a future meeting to explain how the government intended to restore passenger confidence in the railway.

Transport Focus Rail Passenger Survey Autumn 2018

- 2.5 Transport Focus is the independent transport user watchdog. In Spring and Summer each year it undertakes the National Rail Passenger Survey (NPRS). The results for Autumn 2018 were published on 29 January 2019 and show a sharp decline in passenger satisfaction;
- Overall satisfaction with journeys on Northern was 72%, down 11% on the previous year's results. Commuter satisfaction was lower still at 56%
 - Overall satisfaction with journeys on TransPennine Express was 73%, down 12% on the previous year's results. Commuter satisfaction was 58%
 - Passengers expressed their greatest dissatisfaction with how the TOCs dealt with delays. Only 20% of Northern and 22% of TransPennine commuters were satisfied with this aspect of the service

West Yorkshire Combined Authority Train Operator's Forum

- 2.6 Current performance and actions being taken to improve passenger confidence, were an early focus of the inaugural meeting of the Train Operators Forum on 30 January 2019. The meeting set out to discuss the key issues and priorities in coming year ahead. Northern, TransPennine Express, Network Rail and Transport Focus attended and explained their plans for 2019. These include;
- Northern's current focus is on restoring performance on the Calder Valley line and ensuring available capacity is provided where needed
 - Both TOCs outlined plans to introduce new trains and offered assurances that the necessary workforce training would be in place
 - The importance of planning and communication of the disruption which may arise around new infrastructure projects was discussed

- 2.7 Cllr Groves and Firth stressed the need for better communication and engagement with the travelling public as being key to restoring passenger confidence.
- 2.8 The next meeting of the Forum is planned for April 2019

Franchise Service Changes Planned For 2019

- 2.9 The December 2019 timetable change was intended to mark the final implementation of the service improvements initially committed under the TransPennine Express and Northern franchises that commenced in April 2016. It has become apparent that delays in providing the necessary infrastructure will delay these improvements, in some cases indefinitely.
- 2.10 This matter was considered in detail by the Transport Committee in January who resolved that the Transport for the North Rail North Committee is encouraged to seek a clear rail industry plan and timescale to provide the promised service improvements.

Rail North Partnership and Williams Reviews

- 2.11 The Rail North Partnership Review undertaken by Cllr Blake and the Minister for Rail Andrew Johnson was considered by the Transport for the North Board on 7 February 2018 and is expected to be published later this month. The report seeks to strengthen the devolved arrangements for managing the Northern and TransPennine rail franchises and to ensure that customers are placed at the heart of decision making. In particular the review will seek to enable a more meaningful role for Northern political leaders in shaping and directing the North's rail service.
- 2.12 As reported to previously members the Secretary of State has initiated a major review of the UK rail industry, led by Keith Williams. Roger Marsh has been appointed to the expert challenge panel. A call for evidence has now been made, with an overall deadline of 31 May 2019. Initial views are sought during the 'listening' phase of the Review, with a deadline of 18 January 2019. An initial submission from the Combined Authority was submitted in consultation with the Chair of Transport Committee and local authorities and is attached as Appendix 1.
- 2.13 The Rail North Partnership Review will also make recommendations into the Williams Review identifying the benefits of devolving key decisions about the region's railways to the North

3. Inclusive Growth Implications

- 3.1 The problems faced by rail passengers outlined in this report will have been damaging to the Combined Authority's Inclusive Growth objectives.

4. Financial Implications

4.1 There are no financial implications directly arising from this 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.

8. Recommendations

8.1 That the Combined Authority expresses its concern that rail passengers continue to experience delays, cancellations and short forming of trains and notes the steps taken by Northern, TransPennine Express and Network Rail to remedy this.

8.2 That the Combined Authority endorses the Combined Authority's initial submission to the Williams review of the UK Rail Industry.

9. Background Documents

There are no background documents referenced in this report.

10. Appendices

Appendix 1 - The Combined Authority's initial submission to the Williams review of the UK Rail Industry

Williams Rail Review: Call for Evidence

The Combined Authority's initial submission to the Williams review of the UK Rail Industry

- 1. The chaos unleashed on passengers and the economy since May 2018 confirms that the current UK organisational and commercial railway frameworks are not working for our region.** As a founding member of Rail North and Transport for the North, West Yorkshire Combined Authority welcomes the Williams Rail Review as the catalyst for the fundamental shift that is needed in the way the rail network works for passengers and for the country.
- 2. The railway should be much more focussed on delivering the service that customers want.** A reformed framework is urgently needed to ensure customers (passengers and freight) in all parts of the UK receive a level of service comparable to the best in the world. Structures should be re-configured in a way that places the delivery and planning of current and future rail services (and requisite infrastructure) to the customer at the heart of everything. Devolution of the decision-making levers and accountability for rail outcomes to locally elected Members is needed.
- 3. The railway should not exist in a bubble, and requires urgent reform so that it provides the mobility that our society needs, equally well across the country.** To deliver a railway that can support our objectives for sustainable, inclusive, economic growth, our region needs greater devolution of decision making powers about rail outcomes to the sub-national and local levels where the requirements for and impact of those outcomes are best understood.
- 4. The north of England needs a railway structure that supports the 'Northern Powerhouse' programme of regeneration and rebalancing through investment, which should primarily be about providing a service to customers and society, with profit being a second order priority.** Following decades of under-investment, the north of England is engaged in a multi-generational programme of economic re-balancing. We need a railway that is focussed on this long term mission, and which is affordable to all in society. The current system is not delivering with conflicting objectives and drivers.
- 5. The railway network is a system. We need a railway framework with aligned objectives, structures and organisational/commercial models.** We need a railway structure that treats the network as a system that can get the basics right, but which is also focussed on the delivery of growth in demand for, and improvement of, the passenger and freight railway.
- 6. Rail franchising is not working for our region.** Alternative approaches are needed that integrate track and train, and that deliver the services that our region and customers actually want, now and in the future.
- 7. The railway needs to be totally accountable to democratically elected government at national and sub-national levels for rail outcomes.** There needs to be a clear, golden-thread of transparent accountability between the strategic objectives for rail set and agreed between national, sub-national and local politicians, and the ultimate service delivered and decisions made day to day by the rail industry, to and on behalf of customers.
- 8. The railway needs to be open for business.** As a third party investor in the railway with a planned rail investment portfolio currently worth £250m, we often find the railway hard to do business with.

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Transport for the North Strategic Transport Plan**

Director: Alan Reiss, Director Policy, Strategy and Communications

Author(s): Liz Hunter, Head of Transport Policy

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

1. Purpose of this report

- 1.1 To update the Combined Authority on Transport for the North’s Strategic Transport Plan including the implications for the region.

2. Information

Background

- 2.1 Transport for the North (TfN) was created as a pan-Northern Partnership Board of civic and business leaders working to develop the case for transformational investment in transport in the North. In April 2018 TfN became the first Sub-National Transport Body in England tasked with making recommendations on transport investment on behalf of the North to Highways England, Network Rail, High Speed 2 (HS2) Ltd and the Department for Transport.
- 2.2 Transport for the North published a draft Strategic Transport Plan (STP) for the North on 16 January 2018, and commenced a formal public and stakeholder consultation to run for 13 weeks from 16 January to 17 April 2018.

TfN will be seeking its Board approval on the 7th February 2019 for a final version that has been updated following the consultation replies.

- 2.3 The STP is TfN's flagship policy document setting out its plans for investment in strategic transport in the north in the 30 year period up to 2050. The STP sets out TfN's proposals to help drive economic growth, explaining the need for investment in transport and identifying priority areas for improved connectivity.
- 2.4 Alongside the STP, TfN will be publishing a detailed investment programme including the outputs of schemes identified through work on Strategic Development Corridors (SDC).

West Yorkshire Consultation Response

- 2.5 The Combined Authority at its meeting of 3 August 2017 re-affirmed its commitment to a set of investment priorities for TfN to support and help progress. These are:
- A **Northern Powerhouse Rail Network** (NPR) that radically improves journey times across the North with stops in Leeds, Bradford and York, and integrates effectively with HS2;
 - Continued investment in the existing rail networks including significant improvements to the **Calder Valley Line** and **East Coast Mainline**;
 - Press the case for **HS2** and the **Transpennine Route Upgrade** (TRU);
 - Consider how to reduce congestion and improve reliability on the **M62**.
- 2.6 The Combined Authority responded to the consultation on behalf of all the West Yorkshire District Councils. The Transport Committee meeting of 16 March 2018 and the Combined Authority of the 5 April 2018 endorsed a set of key principles that it considered should form the core of a Combined Authority response. These key principles included:
- The Combined Authority and its partners welcoming the draft STP as a high level statement of policy and strategy, and support the vision and proposition for transformational investment in transport in the North to deliver sustained economic growth;
 - Seeking reassurance from TfN that the next draft would:
 - Set out a strong message on the economic and wider benefits of Northern Powerhouse Rail connecting Manchester and Leeds via Bradford city centre, and Leeds to Newcastle via York;
 - Re-affirm the requirement for the timely implementation of HS2 Phase 2b to Yorkshire, including the junctions required to allow NPR services to make use of the HS2 and classic rail networks;
 - Provide a strong statement on other prioritised rail investment requirements, with a focus on ambitious route upgrades that enable improvements to all passenger and freight services on the East Coast

Main Line, Trans-Pennine and Calder Valley Line routes, alongside investment in NPR.

- Provide a commitment to working with the Combined Authority to further develop and implement the Leeds Integrated Station Masterplan, including addressing rail infrastructure capacity requirements at and around Leeds Station to help maximise opportunities arising from HS2;
- Reflect our priorities in respect of the Strategic Roads Network particularly in respect of strengthening the performance and resilience of the M62 motorway as well as major roads schemes facilitating access to our most important economic places;
- Clarity on the connection between TfN's role and that of local transport networks and especially interchange between transport modes, which are important for the first and last miles of the journey; and
- Alignment with the policies and plans set out in the Combined Authority's policy framework and particularly help to maximise opportunities arising from the Leeds City Region Growth Strategy and the Connectivity Study work currently underway to develop inclusive growth corridors, as well as helping to deliver the local growth and regeneration aspirations identified in District Local Plans.

2.7 Following our response and engagement at both Officer level and through our representatives on TfN's Board, TfN have adapted the STP to address the points above. There remains an issue about the map TfN are using to portray the possible Northern Powerhouse Rail options. The current map reinforces an outdated view of the North with the focus only on the original cities that were highlighted in the One North work with no acknowledgement of size or economic importance. It is proposed that the CA continues to press for the map to reflect the economic geography of places and to reflect the position in the STP for NPR to connect Manchester to Leeds via Bradford via a new line. It is also critical that the STP sets out how options will be prioritised and taken forward.

Relevance to the region

2.8 The whole of the STP is an important statement of the economic needs of the region and the pan-northern connectivity that is needed to unlock growth. The list below highlights the important schemes to the region. It is important that TfN set out their next steps for this investment including how they intend to prioritise and sequence the schemes.

- Links to local objectives
 - TfN have recognised the need to integrate pan-northern networks with local networks, and the importance of complementary investment within city regions.

- TfN have strengthened their position on carbon reduction, environmental sustainability and social inclusion – adding objectives that align with West Yorkshire Transport Strategy 2040.
- Road Investment
 - The STP recognises the importance of the Strategic Road Network, particularly the M62, and the expectation of continued investment to improve M62 performance and resilience while also strengthening alternative east-west routes.
 - The Major Road Network for the North map has been amended to align with the West Yorkshire Key Route Network
 - TfN has satisfactorily included West Yorkshire Strategic and Major Road priorities in the investment programme including:
 - M62 interventions e.g. M62 J26 Chain Bar, M62 J24a, J30-33 Smart Motorways.
 - A1(M) & M1 interventions e.g. A1(M) Redhouse to Darrington, M1 junction and online improvements.
 - Major Road interventions to improve capacity and journey times on alternative strategic east-west routes for example from East Lancashire to West Yorkshire.
 - Major Road interventions to improve connectivity and support growth within the region e.g. North Kirklees Orbital Route, South East Bradford Access Route, Wakefield A1(M) to M1 and East Leeds.
- Rail Investment
 - The flagship programme within the STP is Northern Powerhouse Rail. Much work has been undertaken on the Strategic Outline Business Case for NPR and the headline messages are included within the STP.
 - Specifically for this region the emerging vision includes:
 - Faster Transpennine links between Manchester and Leeds serving Bradford city centre. New capacity is needed across the Pennines and a new line produces the most benefits. Work has identified the importance of NPR serving Bradford City Centre, including an additional £15bn GVA and 15,000 new jobs across Leeds City Region by 2060. NPR can double the number of people and businesses within reach of Bradford providing access to $\frac{3}{4}$ million more job opportunities in the key economic sectors of the North for Bradford residents, including places most in need of investment and access to opportunities, particularly for young people. These benefits can only be realised if Bradford is served directly.
 - Leeds to Sheffield improvements will be delivered through HS2 Phase 2b and an upgrading of the route from Sheffield. Parkway options remain on the table.

- Leeds to Newcastle can be better served via a junction off HS2 and significant upgrades to the East Coast Mainline.
- Significant upgrades to the existing line from Leeds to Hull (via Selby) and Sheffield to Hull (via Doncaster) will improve capacity and journey times.
- Provision of junctions at Garforth and Stourton will help to maximise the benefits of HS2 and provide for future flexibility on the network.
- The STP sits alongside a draft Long Term Rail Strategy. The STP itself recognises the need to address rail capacity issues at the main hubs of the network. However, more work is needed on how to address the overall capacity constraints presented at and around Leeds station and this is something it is proposed the CA continues to press for.
- Ticketing
 - TfN is supporting a simple and seamless public transport ticket offer across the North - with a multi-modal contactless payments system supported by the provision of consistent, integrated travel information.

2.9 The above is very much focussed on specific infrastructure investment. The difference it should make to people's lives include:

- With a reshaping of our economic geography, bringing together the Northern cities into a coherent and integrated economic zone, people should have greater access to jobs that align with their skills, and businesses should be attracted to invest here and collaborate more.
- Adding capacity to the rail network should free up capacity on the existing networks creating opportunities to improve the frequency and reliability of rail services for commuters, business travel and potentially freight on the local network.
- New opportunities for skills and employment from investment and better connections which the region is well placed to take advantage of with fourteen further education colleges and eight higher education institutions, the latter producing 35,000 graduates every year, many in vital STEM subjects.
- Ensuring there is a long term plan to address the North's long term needs.

3. Inclusive Growth Implications

3.1 The STP and investment programme should support the Combined Authority's Inclusive Growth objectives.

4. Financial Implications

4.1 There are no financial implications directly arising from this 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 by the Combined Authority.

8. Recommendations

8.1 That the Combined Authority welcomes Transport for the North's recommendations and notes the implications for the region.

9. Background Documents

There are no background documents referenced in this report. A copy of the STP can be found at transportforthenorth.com/wp-content/uploads/final-draft-strategic-transport-plan.pdf

10. Appendices

There are no Appendices referenced in this report.



Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Brexit Update**

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

Author(s): Patrick Bowes and Alex Clarke

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

1. Purpose of this report

- 1.1 To provide an update to the Combined Authority on the organisational preparation being undertaken by the West Yorkshire Combined Authority and Leeds City Region Local Enterprise Partnership as the UK prepares to leave the European Union.

2. Information

Economic update

- 2.1 The Combined Authority continues to monitor the impact of Brexit on the economy. The UK and local economic picture suggests that the jobs and labour market remains fundamentally strong, set against the backdrop of waning consumer sentiment and declining capital investment by business.
- 2.2 The period since the UK parliament's meaningful vote on the government's negotiated EU withdrawal deal has also seen significant volatility in sterling trades, although the depreciation in sterling needs to be seen in the context of foreign exchange and capital market views that the UK is likely to avoid a non-negotiated exit from the EU.

2.3 As well as monitoring the economy, the focus of Combined Authority and LEP research and engagement with local businesses has been to establish the extent to which city region businesses have considered the impact of the UK's withdrawal from the EU on their operational model. Early results from this research suggest that up to 60% of city region businesses believe that UK's withdrawal will have no impact on them. In response, the development of sign-posting and support content on the LEP website has been strengthened to enable businesses to access tailored support to help them in their planning.

Additional Government funding

2.4 The Secretary of State for Ministry of Housing, Communities and Local Government announced on the 28 January that they will commit an additional £56million to help councils carry out their preparations for Brexit. Upfront funding of £40million will be provided based on type of authority, with Combined Authorities due to receive £182,000 over the next two financial years. At the time of writing this report, no further details have been received on how or when this funding will be allocated, however the Combined Authority is commencing planning to employ this funding against the appropriate service needs.

Table showing split of £40m upfront funding by type of authority:

	2018/19 (£k)	2019/20 (£k)	Total (£k)
<i>Combined Authorities (11 including London (GLA))</i>	91	91	182
<i>District councils</i>	17.5	17.5	35
<i>County councils</i>	87.5	87.5	175
<i>Unitary authorities</i>	105	105	210

Organisational preparedness

2.5 This next section provides updates on the activity undertaken to prepare the Combined Authority for Brexit, and in particular a no-deal Brexit. This does not cover activity that is also being led at a local authority level or in partnership across the city region and wider Yorkshire geography, where key resilience and preparation work is also happening, particularly on preparedness for a non-negotiated exit from the EU. Officers continue to maintain a regular dialogue with both local authority colleagues and with relevant Government departments.

2.6 Support to businesses

The Combined Authority and LEP continue to develop and adapt a range of products and services to support the growth and sustainability of the city region's businesses. Subject to funding, two new programmes relevant to the issues of Brexit, on business resilience and investment readiness, will commence by April 2019. The investment readiness programme is currently out to tender for delivery and the business resilience programme is at an advanced stage of development.

In addition to this, the Growth Service is providing intelligence into the BEIS Growth Hub Network for local insight and Brexit preparation. The LEP website has also published Brexit guidance using .gov sources. The current "Europe Checklists" signposting on the "For Business" section of the Leeds City Region Enterprise Partnership web site has now been enhanced by the addition of a dedicated "**Preparing for Brexit**" mini-hub (this went live on the 14th January 2019); consolidating a wider range of information and support assets to business in a single resource.

Policy and economic service colleagues have also been exploring options for growth deal flexibility to provide Brexit specific business support products and services, particularly in the result of a non-negotiated exit from the EU. The intention is to engage with government on the basis of the agreed options, to seek the relevant flexibilities to growth deal monies and to flag the potential need for additional funding.

2.7 Skills

The Combined Authority and LEP continue to develop and adapt a range of products and services to support the growth and sustainability of the city region's businesses. The main gateway to skills support is via Growth Managers.

Appropriate messaging will be formulated for the next Skills Network meeting depending on the outcome of current Brexit negotiations. In addition, as part of exploring options for growth deal flexibility in the event of a requirement to support businesses as a result of Brexit, consideration is being given to incorporating skills products. Two new programmes, Employment Hub and Re:Boot, have recently been approved for delivery and can support businesses who may need to address skills/training challenges as a result of Brexit.

2.8 Trade and Investment

Business insight is being captured from companies that are engaged as part of the Investor Development programme (funded directly by the Department for International Trade) and shared across the Combined Authority, as well with the Department for International Trade and other Government bodies. The messages to date suggest that many businesses are evaluating plans for

the impact of Brexit, with the exact nature differing by sector. The main concerns remain around the effect of tariff changes, regulations, skills and recruitment and the potential for currency devaluation. This intelligence collection will continue and be used to inform decisions on any further support required for these businesses through the LEP and wider delivery partners.

The LEP website has published Brexit guidance particularly aimed at businesses with an international focus, using .gov sources.

2.9 Growth deal

The Combined Authority and LEP are seeking flexibility on Growth Deal funding to deploy at short notice if required. The Growth Deal is already over programmed, however some projects may not materialise or are now delayed, and therefore there could be flexibility for new programmes to be introduced with specific Brexit focus (subject to Investment Committee approval).

Flexing the current growth deal may also require approval from Central Government to allow us to spend money on the Growth Deal beyond March 2021. In the short term, if there is a need to introduce support programmes specifically around Brexit that do not fit within the Growth Deal we may have to borrow money to fill in the gap funding. This area therefore remains a significant risk to the organisation, and therefore further engagement with government will take place outlining the need for flexibility.

2.10 European Funding and UK Shared Prosperity Fund

The Combined Authority and LEP are concerned both with ensuring continued delivery of European Structural and Investment Funds (ESIF) and with leading on the region's input to the shaping of the UK Shared Prosperity Fund.

Based on current exchange rates the total value of ESIF in LCR is £345.48m. Of this, based on the programme pipeline, 61% is already committed. Plans are in place to attempt to commit the remaining 39% by summer 2019. If not, the remaining money will be pooled in to the national Reserve Fund to help Government maximise the programme and manage exchange rate fluctuations.

In terms of the Shared Prosperity Fund the Combined Authority is engaging with Government to influence the design, structure and quantum of UKSPF, and will respond to the Green Paper consultation once published.

2.11 Research and intelligence

The research and intelligence team are monitoring and modelling the potential impacts of Brexit and collecting qualitative evidence to inform decision making. This has included producing a Brexit economic report that has been discussed at LEP board. Deeper dive questions are also being deployed through the Chamber of Commerce's Quarterly Economic Survey.

The Business and Household Surveys will also offer further opportunities to analyse the impact of Brexit on the city region – fieldwork for the former will be

completed by March, however the latter is only due to be piloted on a small scale in March, with the majority taking place after local elections in May.

2.12 Programme delivery

In terms of programme delivery, the main concern is controlling for the impact on existing and future programme delivery of Combined Authority projects. Any slowing down of private sector investment into key schemes (e.g. Enterprise Zones, housing, or other employment sites which have been 'unlocked' by the West Yorkshire Plus Transport Fund) could cause a delay in realising additional jobs and homes in the region. This risk remains particularly high, and is reflected more widely in the economy where anecdotal evidence suggests businesses are more reluctant to invest. There is also potential for there to be impact on access to skilled labour in specialist areas related to programme delivery (e.g. full fibre connectivity). The Delivery team are monitoring key schemes to understand any potential risks.

2.13 Transport Services

The service has been 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.

Initial discussions have taken place with transport operators, and have flagged up potential impact on:

- The supply chain of labour, particularly exacerbating an existing shortage of bus drivers
- Insurance costs (upward), which may also affect the Combined Authority.
- A weaker pound impacting on fuel prices (given fuel is traded in dollars), and vehicle parts prices
- Availability of parts purchased either directly from suppliers or through vehicle manufacturers (particularly European), with a risk also of some suppliers or consumers stockpiling parts
- Coach operators who operate abroad, and a particular concern for the implications for drivers in Europe in a non-negotiated exit from the EU

These risks will be raised again at the Operator Group and operators will be asked what contingency plans they have in place.

2.14 Procurement

The Combined Authority's procurement team are exploring how procurement may operate in the future, outside of OJEU processes, and the requirements on state aid. The team are following the latest government guidance issued, and will look to engage with further engagement from Government on how to deal with ongoing procurement procedures in the handover period that may develop between two systems.

2.15 Human Resources

Human Resources are preparing for any new regulations with regards to the employment of EU nationals and ensuring compliance in new recruitment.

As Government has now provided further information about the ongoing employment of EU nationals, the Combined Authority is communicating with all members of staff to highlight how EU nationals can apply for settled status and the support available to help individuals in that process.

2.16 Communications

Web content, including business checklists and links to gov.uk content, is now live on the LEP website. This incorporates information from other communications activity that has taken place, which include:

- 5 trade checklists published on LEP website,
- 6 trading in Europe events delivered,
- digital advertising throughout Autumn 2018 promoting events,
- Shared Prosperity Fund press releases

Talking to Government

2.17 The Combined Authority is currently engaging with individual government departments on a number of fronts. These include:

- Discussion with BEIS in relation to business intelligence
- Regular teleconferences with MHCLG coordinated by the LEP network
- An initial letter to MHCLG on the Combined Authority's preparations, with follow up conversations on the recent funding announcement from the Secretary of State

2.18 This is in addition to the wider government engagement taking place with local authorities and partners, in particular through the West Yorkshire Resilience Forum. We anticipate that this engagement will increase in the coming months, in line with the progress of national government negotiations and decisions.

3. Inclusive Growth Implications

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

4. Financial Implications

4.1 There are no financial implications directly arising from this 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.

8. Recommendations

8.1 That the Combined Authority notes the contents of this report, which provides an update on progress on organisational planning for the UK's departure from the European Union.

9. Background Documents

9.1 There are no background documents associated with this paper.

10 Appendices

10.1 None

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Capital Spending and Project Approvals**

Director: Melanie Corcoran, Director of Delivery

Author(s): Craig Taylor / Cath Pinn

1 Purpose of this report

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Deal, for consideration by the Combined Authority's assurance process.
- 1.2 One of the schemes being considered today was recommended by January's West Yorkshire and York Investment Committee, (the Investment Committee), the remainder from February's Investment Committee. Please note, at the time of preparing this report the majority of these schemes will not have been considered by Investment Committee which meets on 6 February. However, in order to expedite scheme delivery and to avoid any delay (the next meeting of the Combined Authority is in April 2019) the report is being presented at this time. The recommendations within this report are based on those being put to Investment Committee. The Chair of the Investment Committee will provide a verbal update on the outcome of the 6 February Investment Committee's consideration of these schemes and whether there are any changes to the recommendations to be considered by the Combined Authority. Any significant changes will be presented in an addendum to the report.
- 1.3 In December 2018, the Combined Authority amended the terms of reference of the Investment Committee to provide for the Committee to make any decision to progress a scheme under the Leeds City Region Assurance Framework, in accordance with the scheme's bespoke approval pathway and approval route (subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%). This is the first report to the Combined Authority which includes information on the exercise of the Investment Committee's new delegated decision making role. Decisions made by Investment Committee which are for the Combined Authority's information, and those requiring an approval decision by the Combined Authority, will be made clear in this report

through being highlighted in the summary table and the recommendations where applicable.

- 1.4 This report presents proposals for the progression of 5 schemes, which have been recommended for approval by the West Yorkshire and York Investment Committee, and considered in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £41.080 million when fully approved, of which £40.950 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £2.734 million is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.

Scheme	Scheme description	Decision sought
Raising Aspirations Leeds City Region (February's Investment Committee)	<p>This scheme will conduct a pilot which will investigate the best activities to undertake to support disadvantaged pupils to raise their aspirations. Activities will include strengthening engagement with employers, widening pupil's experience of jobs beyond their home communities and engagement with young role models working in priority sectors. Support will be provided in the form of a grant to schools and will complement the work of the Local Enterprise Partnership's Enterprise Co-ordinators. The scheme will be funded through Business Rates Pool funding.</p> <p>The scheme will deliver an enhanced model of enterprise education to 3,500 most disadvantaged learners in the Leeds City Region and will engage an additional 20 employers to deliver 6,000 employer encounters. With the outcome of improving participants' destinations and making them less likely to become NEET (not in education, employment and training).</p>	<p>Approval to proceed through decision point 2 and work commences on activity 5 (full business case with finalised costs) subject to external funding being secured.</p> <p>Total value - £400,000</p> <p>Total value of Combined Authority funding - £400,000</p> <p>Funding recommendation sought - £0</p>
Headrow City Centre Gateway	The scheme comprises a set of significant on-street enhancements to bus,	Approval to proceed through decision point 3 and work

Scheme	Scheme description	Decision sought
<p>Leeds (January's Investment Committee)</p>	<p>pedestrian and cycling infrastructure and public realm in Leeds City Centre to the north of the city centre's main pedestrian area.</p> <p>Improvements will be made to the Headrow, Westgate, Vicar Lane, New Briggate, Cookridge Street, Harrison Street, Eastgate and parts of some adjacent streets.</p> <p>The scheme is to be funded through the devolved Department for Transport funding forming the Leeds Public Transport Investment Programme.</p> <p>The benefit cost ratio (BCR) is 1.14:1, with an adjusted BCR of 1.26:1 taking in to account bus based wider economic impacts.</p> <p>The scheme's wider social benefits include improved public health and quality of life through delivering better connectivity, reducing journey times, encouraging active travel, and reducing carbon emissions.</p>	<p>commences on activity 4 full business case.</p> <p>Total value - £20.7 million</p> <p>Total value of Combined Authority funding - £20.7 million</p> <p>Funding recommendation sought - £500,000</p>
<p>A647 Bus Priority Corridor Leeds (February's Investment Committee)</p>	<p>The scheme consists of a series of improvements along the Leeds A647 corridor to improve bus journey times and reliability and increase bus patronage.</p> <p>It involves extending sections of existing bus lanes, introducing bus priority measures at traffic signals, the relocation and reorganisation of bus stops and changes to the Ledgard Way/Armley Road junction.</p> <p>The scheme supports Priority 4 (Infrastructure for Growth) of the Strategic Economic Plan. It is part of and funded by the Leeds Public Transport Investment Programme (LPTIP) and will be funded through the</p>	<p>Approval to proceed through decision point 3 and commence work on activity 4 (full business case)</p> <p>Total value - £9.68 million</p> <p>Total value of Combined Authority funding - £9.68 million</p> <p>Funding recommendation sought - £0</p>

Scheme	Scheme description	Decision sought
	<p>devolved Department for Transport funding.</p> <p>The forecast benefit cost ratio (BCR) is 3.39:1 which represents 'high' value for money (VfM) The scheme's wider social benefits include providing better accessibility to jobs and services for local communities within areas of high deprivation and reducing levels of nitrogen oxides on a key public</p>	
<p>Corridor Improvement Programme Phase 1 – Huddersfield Southern Corridors</p> <p>Kirklees</p> <p>(February's Investment Committee)</p>	<p>This scheme is to be delivered as part of the Corridor Improvement Programme (CIP) phase 1 - to address transport challenges from growth associated with new housing and employment sites across the City Region.</p> <p>The scheme is to be funded by the West Yorkshire plus Transport Fund.</p> <p>The scheme will deliver highways, junction and traffic signal improvements, enhancement to pedestrian footpaths and crossing facilities, new cycle crossing provision, bus stop improvements, and public realm enhancements to address the causes of congestion and constraints to economic growth on the southern side of Huddersfield town centre.</p> <p>The benefit cost ratio (BCR) for the scheme is 2.2:1 which is judged to represent high value for money.</p> <p>The scheme's wider social benefits include health benefits by promoting active travel through provision of walking and cycling facilities, and improving air quality through reducing congestion.</p>	<p>Approval to proceed through decision point 3 and work commences on activity 4 full business case.</p> <p>Total value - £8.199 million</p> <p>Total value of Combined Authority funding - £8.199 million</p> <p>Funding recommendation sought - £2.234 million of which:</p> <ul style="list-style-type: none"> • Scheme development £634,000 • Land acquisition £1.6 million
<p>Rochdale Canal – Cycle Safety Fund</p>	<p>The scheme will deliver a high quality 6km cycle route between Hebden Bridge and</p>	<p>Approval to proceed through decision point 4 and work commences on activity 5</p>

Scheme	Scheme description	Decision sought
Calderdale (February's Investment Committee)	<p>Todmorden. It will form part of the Calder Valley cycle route and is part of the CityConnect programme.</p> <p>It supports Priority Area 3 (Clean Energy & Environmental Resilience) and 4 (Infrastructure for Growth) of the Strategic Economic Plan.</p> <p>The scheme will be funded by the Department for Transport Cycle Safety Grant, the Cycle City Ambition Grant (CCAG City Connect Programme).</p> <p>The forecast benefit cost ratio of the scheme is 1.4:1. Taken as the full 12km Corridor between Todmorden and Sowerby Bridge this increases to 2:1 As well as supporting an increase in the number of walking and cycling trips, it will support a reduction in cyclist road traffic accidents on the A647 corridor and reduce the risk of flooding to homes along the canal corridor.</p>	<p>(full business case with finalised costs).</p> <p>Total value - £2.101million</p> <p>Total value of Combined Authority funding - £1.971 million</p> <p>Funding recommendation sought - £0</p>

Additional approvals - Delegation sought to the Investment Committee

- 1.5 In addition to decisions relating to the above schemes, a sub-delegation is sought from the Combined Authority to the Investment Committee in relation to Calderdale's A629 phase 2 scheme and the Dewsbury Riverside Housing Scheme.
- 1.6 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:
- The progression of a scheme through a decision point to the next activity.
 - Indicative or full approval to the total value of the scheme funding requested.
 - The Combined Authority's entry into a funding agreement with the scheme's promoter.
 - The assurance pathway and approval route for future decision points.
 - The scheme's approval tolerances.

- 1.7 This report provides information required to enable the Combined Authority to approve each of the above elements.
- 1.8 Since the Combined Authority's meeting on 13 December 2019, the following decision points and change requests have been assessed in line with the Combined Authority's assurance process and approved through the agreed delegation to the Combined Authority's Investment Committee. Under the delegation a total expenditure of £113,000 has been approved.

Scheme	Scheme description	Decision
Bradford Interchange Station Gateway – Phase 1	To deliver an improved gateway environment at Bradford Interchange which will improve the customer experience and the pedestrian environment.	<p>Activity 3 (outline business case) change request to approve an increase in development costs due to scope of feasibility works from £180,000 to £293,000. There is no change to the total project costs.</p> <p>To approve a timeframe extension for the delivery of this project from September 2020 to October 2021.</p> <p>Total Value - £5.65 million</p> <p>Total value of Combined Authority funding - £5.65 million</p> <p>Funding Recommendation sought - £113,000</p>
Bradford Forster Square Station Gateway	<p>To deliver an improved gateway environment at Bradford Forster Square which will improve the customer experience and the pedestrian environment.</p> <p>For information, DfT have requested "small bid" submissions to the Transforming Cities Fund and a bid of £4 million is proposed to be submitted for Bradford Forster Square Station Gateway to enhance accessibility and therefore enable the delivery of the Bradford Forster Square masterplan ambition.</p>	<p>Activity 4 (full business case) change request to approve an increase the delivery timeframe from March 2021 to December 2021.</p> <p>There is no change to the total project costs.</p> <p>Total Value - £17.311million</p> <p>Total value of Combined Authority funding - £17.061 million</p> <p>Funding Recommendation sought - None</p>
Halifax Town Centre - Northgate House Calderdale	The scheme involves the refurbishment of part of the former Calderdale Council offices at Northgate House to create 4,274m ² of office and 1,115m ² of retail	Approval to proceed through decision point 4 and work commences on activity 5 (full business case with finalised costs) subject to a

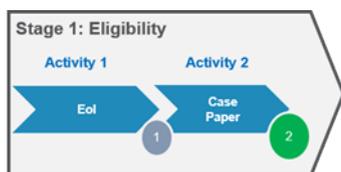
Scheme	Scheme description	Decision
	<p>floorspace. It supports Priority 4 (Infrastructure for Growth) of the SEP.</p> <p>The scheme is funded by the Local Growth fund (LGF) Growth Deal 3. It has the potential to generate 427 gross jobs when 85% let and £30m of Gross value added (GVA) to the local economy over a 10-year period following completion - a GVA based Benefit cost ratio (BCR) of 10:1.</p> <p>The scheme's wider social benefits relate to the new employment and training opportunities associated with occupiers letting space in the completed development and also supporting the vitality and vibrancy of Halifax town centre by increasing footfall.</p>	<p>full RICS Red Book Valuation report</p> <p>Total value - £10.655 million</p> <p>Total value of Combined Authority funding - £3.0 million</p> <p>Funding recommendation sought - £0</p>

2 Information

- 2.1 The background information on the Combined Authority's assurance framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**. In addition, this appendix also provides a description of the approach for the future assurance pathway and approval route and the assurance tolerances for each scheme.
- 2.2 Location maps for each of the schemes presented in this report (where applicable) are provided in **Appendix 2**.
- 2.3 All the schemes set out in this report have been considered by the Investment Committee on 9 January 2019 and 6 February 2019.

Programmes and projects for consideration

Projects in stage 1: Eligibility



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

Project Title	Raising Aspirations
Stage	1 (Eligibility)
Decision Point	2 (Case paper)

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

Background

- 2.5 This scheme will be delivered by the Economic Services directorate of the Combined Authority and has been designed to deliver against Priority 2 of the Strategic Economic Plan and the Leeds City Region Employment and Skills Plan in terms of “Greater Education connected to businesses” and “Employability, accessing jobs and realising potential”. The scheme will enhance and complement the work undertaken by the Leeds City Region’s Local Enterprise Partnership’s Enterprise Coordinators. The scheme will be funded from the Business Rates Pool funding, the aim of which is to support regional economic growth by providing support to and working in collaboration with regional partners. This scheme formed part of the wider “Raising Aspirations” application made to this funding stream.

- 2.6 The Raising Aspirations School Pilot scheme will involve conducting a pilot at schools with high numbers of disadvantaged pupils and / or with an intake of pupils from the most deprived wards of the Leeds City Region. Disadvantaged institutions/pupils will be identified using Department for Education figures for pupil premium, and IDACI (income deprivation affecting children index). Funding will be used to develop a school pilot fund. Grants will be awarded to schools / colleges to support an increase in activity to raise aspirations amongst disadvantaged pupils by strengthening engagement with employers, widening pupil’s experiences of jobs beyond their home communities and engagement with young role models working in priority sectors. An evaluation of the pilot will also be undertaken, and the pilot will culminate in a best practice sharing workshop.
- 2.7 The Combined Authority has been delivering a highly regarded Enterprise in Education service since 2015 with a universal offer in place and is currently working with 90% of Leeds City Region’s secondary schools and colleges. The service has supported 215 employers to build greater links with education and are particularly keen to engage companies from skills shortage and growth sectors, in order to raise awareness of the career opportunities that they offer. This pilot provides a unique opportunity to address ‘cold spots’ through a fund only available to schools and colleges in order to design solutions for the most disadvantaged communities.
- 2.8 Applications for grant funding will be made against an eligibility criteria. The minimum funding offered is £7,000 and £50,000 is the maximum threshold.

For grants of £7,000 - £25,000	Schools will be asked to demonstrate either cash match or in-kind support from employer time
For grants of £25,000 - £40,000	Schools will be asked to demonstrate cash match of 20%
For grants of £40,000 - £50,000	Up to two grants will be available for projects requesting £40,000 - £50,000. Schools will need to demonstrate an increased cash match fund of at least 50% and demonstrate a high scoring for all areas of funding criteria (see below)

- 2.9 Grant applications received will be considered by an advisory panel who will make recommendations to senior officers with delegated responsibilities to approve applications. The Local Enterprise Partnership’s Employment and Skills Panel will retain oversight of scheme delivery.
- 2.10 Combined Authority scheme funding for the scheme has been secured via the business rates pool ‘call for projects’ process.

Outputs, benefits and inclusive growth implications

- 2.11 The forecast outputs, benefits and inclusive growth implications are:

- Enable schools to meet the eight Gatsby Career Benchmarks of good practice as outlined in the Government's Careers Strategy.
- Deliver an enhanced model of enterprise education directly to 3,500 most disadvantaged learners by June 2020.
- Engaging an additional 20 employers to deliver 6,000 employer encounters (including to the learners identified above) by June 2020.
- Sharing best practice will help to reach in total 18,000 disadvantaged learners indirectly by June 2020.
- Evidence shows that where learners have more opportunities to engage with employers they are less likely to be unemployed, and more likely to earn more than their peers as they are enabled to make better informed choices about their next steps in education, training or employment.

Risks

- 2.12 **Risk** - Lack of grant applications received from schools - **Mitigation** - Consultation with Headteachers during grant development to establish realistic timescales for schools. Enterprise Coordinators with existing relationships with schools will promote the fund to schools and support them to submit applications. A communication plan will include press releases and social media to ensure awareness across West Yorkshire. Two rounds of funding will also allow for changes to be made to the promotion and communication as necessary.
- 2.13 **Risk** - Applications received are not from target schools with high numbers of pupil premium students or cohorts from area of deprivation - **Mitigation** - Clear and transparent criteria shared with schools which values applications from schools with higher pupil premium numbers and with intakes from areas of deprivation. Analysis undertaken from Department of Education by Combined Authority to measure schools comparative level of deprivation in this way. Scoring to recognise impact on pupil premium pupils through value for money. If required a second round of funding would allow opportunity to review criteria.
- 2.14 **Risk** - Quality of applications is low and not linked to Combined Authority's strategic priorities - **Mitigation** - Schools will be supported by their Enterprise Coordinator as a Combined Authority Lead, who will have received training and documentation enabling them to help schools understand and meet the criteria. Schools will also be allowed up to two opportunities to resubmit applications, receiving feedback from the panel on why they were unsuccessful.
- 2.15 **Risk** - School awarded grants fail to complete their projects within the required timescale - **Mitigation** - Finances will be released to schools in two parts, 60% for approved applications and 40% for completion of evaluation. School must agree to monitoring including a termly Compass report and a project update midway through the project with final evaluation due April - July 2020. Enterprise Coordinators for schools will continue to support schools to oversee delivery and ensure timely submission of evaluation material.

Costs

- The current total forecast cost of the scheme is £400,000.
- The Combined Authority will contribute the full £400,000 which will be funded from the secured business rates pool funding.
- No development funding is required for this scheme

Timescales

- The scheme is forecast to reach decision point 5 approval by March 2019
- Final deadline for applications from schools is May 2019
- Delivery of projects supported by the Raising Aspirations Schools Pilot - May 2019 – July 2020
- The scheme is forecast to achieve decision point 6 approval by July 2020
- Evaluation of activities against progression towards Gatsby benchmarks. Case studies collected and learning shared through a best practice event - May 2020 to October 2020

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 2 (case paper)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

Assurance Tolerances

Assurance tolerances
That the total project costs remain at the level set out in this report. That the project delivery timescale remains within 3 months of the timescales identified. That learners assisted should remain within 10% of the figure outlined in this report.

Project responsibilities

Senior Responsible Officer	Michelle Burton, Combined Authority
Project Manager	Sonya Midgley Combined Authority

Combined Authority case officer	Mott MacDonald On behalf of the Combined Authority
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Appraisal summary

- 2.16 The project has a strong fit to the Leeds City Region SEP priorities and has good evidence to prove the need for it. The objectives, output and outcomes appear reasonable however clarification is needed around the wide aim of delivering grants to 8-49 schools. Timeframes for commencing the pilot are challenging with advice from head teachers stating that at least one full academic year is required to implement higher value projects. Full engagement with schools to raise awareness of the pilot has not fully commenced, although the Enterprise Coordinator team supporting schools have been briefed. A later start date has been reflected in a later end date to allow a full academic year for the project and to mitigate the risk. This may impact on the number of applications received, this will be addressed in advance of the scheme receiving decision point 5 approval.

Recommendations

- 2.17 That the Combined Authority approves that:
- (i) The Raising Aspirations project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs)
 - (ii) An indicative approval to the total project value of £400,000 to be funded by the Combined Authority from the secured business rates pool funding with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 2: Development



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

Project Title	Headrow City Centre Gateway
Stage	2 (Development)
Decision Point	3 (Outline business case)

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

Background

- 2.19 This scheme presented for decision point 3 approval (outline business case) forms part of the Leeds Public Transport Investment Programme (LPTIP). The programme received decision point 2 approval from the Combined Authority on 29 June 2017, following recommendation by Investment Committee on 16 June 2018.

- 2.20 The programme is comprised of the following packages:

- Bus Priority Corridors
- Bus Park and Ride
- City Centre Gateways
- Rail
- Bus Transformation
- Mass Transit

- 2.21 The Headrow Gateway scheme is one of four projects proposed for delivery within the LPTIP City Centre Gateway package. The proposal seeks to make required changes to the current transport network and public realm provisions to ensure economic potential of the city is not held back. By addressing the identified shortcomings, will enhance the sustainable transport offer in the city centre and improve public realm which will foster economic growth and improve the environment.
- 2.22 The scheme comprises of the following interventions:
- Changes to highway geometry with removal of central reserve.
 - Applying general restrictions to traffic moving through the gateway.
 - Footway widening.
 - Provision of new green infrastructure.
 - Provision of new public open spaces.
 - Improved pedestrian crossings.
 - Provision of new protected cycle lanes.
 - Removal or relocation of some on-street parking, loading and taxi provision.
 - Public realm enhancement.
 - Bus re-routing.
- 2.23 As part of the scheme, improvements will be made to the Headrow, Westgate, Vicar Lane, New Briggate, Cookridge Street, Harrison Street, Eastgate and parts of some adjacent streets.
- 2.24 The scheme supports delivery of Priority 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan (SEP), by creating additional capacity to enable development, and helping to achieve the Leeds City Region SEP principle of 'Good Growth'.
- 2.25 The LPTIP programme was given decision point 2 (case paper) approval by the Combined Authority in June 2017, with an indicative LPTIP programme approval of £183.266 million and £15.310 million to fund project development costs of individual schemes as they come forward at outline business case (decision point 3).
- 2.26 Within the aforementioned programme approval, the City Centre Gateway package received an indicative allocation of £29 million towards scheme costs, with approval of £600,000 towards Headrow Gateway project development costs to outline business case (decision point 3).
- 2.27 The Headrow Gateway scheme is now presented at outline business case (decision point 3) and seeks to progress to full business case (decision point 4).

- 2.28 Given the Headrow Gateway scheme is requesting £20.7 million of the allocated £29 million, the scheme promoter has provided a statement on LPTIP Programme affordability - stating it is not feasible to develop all projects concurrently, therefore a prioritisation process is underway. In addition feedback from the extensive consultation undertaken has driven which schemes come forward first. With respect to the City Centre Gateway package, the Headrow Gateway scheme received a greater positive reaction than the other corridor proposals and is seen as the core Gateway scheme.
- 2.29 Leeds City Council (LCC) has provided further details on the prioritisation process for schemes coming forward within individual work packages and this will be considered by the LPTIP Programme board.

Outputs, benefits and inclusive growth implications

- 2.30 The forecast outputs, benefits and inclusive growth implications are:
- Increase overall bus patronage by 100% by 2026.
 - Improve end to end bus journey times and bus punctuality through reducing cross-city journey times through the Gateway by 20% by 2020.
 - 50% improvement to bus punctuality through the Gateway.
 - Improve air quality in the Gateway through reducing carbon emissions - indicator to be tracked.
 - Improve facilities for cyclists and pedestrians.
 - Improve connectivity between bus and rail services in the city.
 - A value for money benefit to cost ratio of 1.14:1 with an adjusted benefit to cost ratio of 1.26:1 taking in to account bus based wider economic impacts.
 - Through improving the transport network and connectivity, will better connect people to job and education across the city.
 - Through enhancements to public realm and green infrastructure, improved facilities for cyclists and pedestrians encouraging active travel, and reduced bus journey times, will improve quality life.

Risks

- 2.31 The key risks to the project and the related mitigation are:
- Unanticipated statutory diversions causing additional costs and delays to the delivery programme, to be mitigated through early information gathering and research relating to utilities.
 - Objections from the Hackney Carriage trade to the removal of their ranks are upheld, requiring changes to scheme design. Additional costs will be incurred to cover changes to design and mitigation measures. Early engagement has been had with further consultation scheduled for early 2019.

Costs

2.32 The project costs can be summarised as:

- The current total cost forecast for the scheme at decision point 3 is £20.7 million.
- The Combined Authority will fund £20.7 million from the devolved Department for Transport Leeds Public Transport Investment Programme Fund.
- The Combined Authority of June 2017 at decision point 2 (case paper) approved £600,000 to fund project development costs to Outline Business Case (decision point 3).
- The scheme now seeks a further £500,000 at outline business case (decision point 3) to fund project development costs to full business case with finalised costs (decision point 5) taking total project development costs funding sought to £1.1 million, which represents 5.3% of total scheme costs.
- The Combined Authority will need to enter in to an addendum to the existing Funding Agreement to the value of £1.1 million.

Timescales

- Outline business case (decision point 3) - February 2019.
- LCC executive board approval - March 2019.
- Full business case (decision point 4) - April 2019.
- Full business case with finalised costs (decision point 5) - July 2019.
- Construction commences - August 2019.
- Construction complete (decision point 6) - June 2020.

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3 (outline business case)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team

	Decision: Combined Authority's Managing Director
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Assurance Tolerances

Assurance tolerances
<p>Combined Authority costs should remain within 10% of the costs set out in this report.</p> <p>That programme timescales should remain within 3 months of the timescales set out in this report.</p>

Project responsibilities

Senior Responsible Officer	Gary Bartlett, Leeds City Council
Project Manager	Gwyn Owen, Leeds City Council
Combined Authority case officer	Asif Abed

Appraisal summary

- 2.33 The strategic case for the Headrow Gateway scheme has a clear fit with the Leeds City Region Strategic Economic Plan, specifically in delivery against Priority 4 'Infrastructure for Growth' - improving connectivity by enhancing the transport network, reducing congestion and carbon emissions, and encouraging active travel through improved cycling and pedestrian facilities. This will also deliver consequential benefits to priority 1 growing businesses, priority 2 skilled people and better jobs, and priority 3 clean energy and environmental resilience.
- 2.34 The core benefit to cost ratio of 1.14:1 and the adjusted benefit to cost ratio of 1.26:1 both indicate a low value for money scheme. The scheme however as alluded to above will deliver a number of wider outputs and benefits, which reflects the need to consider the strategic context of the scheme as important.
- 2.35 It is recommended the scheme promoter at full business case (decision point 4) demonstrates a robust strategy with board approval to delivering the other three schemes profiled within the LPTIP City Centre package, given the Headrow Gateway scheme will expend £20.7 million of the £29 million allocated.
- 2.36 The Combined Authority will act as the accountable body, providing approval to fund the scheme through the Leeds Public Transport Investment Fund.
- 2.37 Leeds City Council will be the delivery lead with WSP as development partner, and Sisk+Capita appointed as delivery partners (detailed design and delivery).
- 2.38 The scheme will continue reporting to the Leeds Public Transport Investment Programme Board, managed by the Combined Authority.

Recommendations

2.39 That the Combined Authority approves that:

- (i) The Headrow Gateway scheme proceeds through decision point 3 and work commences on activity 4 (full business case).
- (ii) An indicative approval to the total project value of £20.7 million is given from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Development costs of £500,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total project approval to £1.1 million.
- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Leeds City Council for expenditure of up to £1.1 million from the Leeds Public Transport Investment Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	A647 Bus Priority Corridor
Stage	2 (Development)
Decision Point	3 (Outline business case)

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

Background

- 2.40 This scheme forms part of the Leeds Public Transport Investment Programme, a £183.5 million programme using devolved Department for Transport funding supplemented with contributions from Leeds City council and the Combined Authority. This programme aims to support economic growth by unlocking transport constraints, improve public transport journey times and usage and improve health outcomes by reducing overall transport emissions.
- 2.41 This A647 Corridor scheme forms part of the Bus Priority Corridor package, which aims to target investment in a number of key corridors to reduce bus journey times and improve bus services. The other schemes included in the package are A660, A58, A61 (North) and A61 (South). The A61 (South) scheme received decision point 3 approval for £14.5 million from the Combined Authority on 13th December 2018 following recommendation by the Investment Committee on 7th November 2018.
- 2.42 In addition, the scheme also interfaces with the following schemes which have been allocated funding by the Combined Authority
- Dawsons Corner Corridor Improvement Programme scheme
 - Expansion of rail-based park and ride facilities at New Pudsey Station
 - Reconfiguration of Armley Gyratory as part of the Leeds City Centre Package
- 2.43 The A647 Corridor scheme extends from the Armley Gyratory to the Leeds border with Bradford and includes the Leeds Road Gyratory in Bradford and the B6157 Stanningley Road/Bradford Road through Stanningley.

- 2.44 The scheme consists of a series of corridor improvements along the corridor, including:
- Extending sections of existing bus lanes, including the conversion of existing High Occupancy Vehicle (HOV) lanes into dedicated bus lanes;
 - Bus priority measures at traffic signals and the relocation and reorganisation of bus stops;
 - Lengths of new bus lanes;
 - Improvements to the Ledgard Way/Armley Road junction; and
 - Improvements to pedestrian facilities along the corridor and some cycle measures to complement and enhance the cycle Superhighway
- 2.45 The primary objective of the scheme is to increase bus patronage and improve bus journey times which support the delivery of Priority 4 (Infrastructure for Growth) of the Strategic Economic Plan. It will also support the delivery of Priority 1 (Growing Businesses, Priority 2 (Skilled People and Better Jobs), and Priority 3 (Clean Energy and Environmental Resilience).
- 2.46 The scheme forms part of the Leeds Public Transport Investment Programme (LPTIP). The programme received decision point 2 approval from the Combined Authority on 29 June 2017. As part of the LPTIP approval, the Bus Priority Corridor package was given an indicative allocation of £48.9 million towards scheme costs.
- 2.47 This scheme is one of five in the Bus Priority Corridor package, the others are A660, A58, A61 (North) and A61 (South). The A61 (South) scheme received decision point 3 indicative approval for £14.5 million from the Combined Authority on 13 December 2018 following recommendation by the Investment Committee on 7 November 2018
- 2.48 Leeds City Council (LCC) has provided further details on the prioritisation process for schemes coming forward in this package and this will be considered by the LPTIP Programme board on 27 January 2019.
- 2.49 LCC are the promoters for LPTIP with WSP as development partner and BAM are the appointed contractor for the programme.
- 2.50 This scheme interfaces and complements the improvements proposed as part of the A647 Dawsons Corner Corridor Improvement Programme scheme which received decision point 3 indicative approval for £20.159 million from the Combined Authority on 13 December 2018.
- 2.51 Public and stakeholder engagement on the objectives of the scheme which has fed into the emerging designs, was carried out in February/March 2018 and during November/December 2018.

Outputs, benefits and inclusive growth implications

2.52 The forecast outputs, benefits and inclusive growth implications are

- A 25% increase in bus patronage on the corridor by 2026.
- Improved end-to-end journey times and punctuality for buses, reducing journey time variability.
- Improved quality of bus passenger experience and levels of satisfaction.
- Improved facilities for cyclists and pedestrians, including access to bus stops.
- Improved network safety for all users.
- Improved access to employment and training via public transport.
- Reduced levels of nitrogen oxides on the key public transport corridors.
- The benefits will accrue from scheme completion in 2021 and will be measured 3 years after opening. The forecast benefit cost ratio (BCR) is 3.39:1 which represents 'high' value for money (VfM).

Risks

2.53 The key design and delivery risks to the scheme and associated mitigation measure are: -

- Objections to the proposed improvements, including the removal of the High Occupancy Vehicle (HOV) lanes – mitigated through ongoing consultation and stakeholder engagement and the demonstration of scheme benefits arising from further transport modelling
- Disruption to the road network during construction – significant construction works are focused on the Armley section of the corridor and will be completed prior to works at the Armley Gyratory. The full business case will demonstrate how Leeds City Council will manage the interfaces between the construction impacts of this scheme with the construction impacts of the Dawsons Corner Corridor Improvement scheme.
- Interface with the A647 Dawsons Corner Corridor Improvement Programme (CIP) scheme – this scheme can be delivered independently of the CIP scheme

Costs

- The current total forecast of the scheme is £9.68 million. A higher cost scheme was discounted due to potential programme and delivery risks
- The Combined Authority will fund the £9.68 million from the devolved Department for Transport LPTIP fund.
- The scheme does not seek further project development funding at decision point 3, confirming the £799,000 approved at decision point 2 is satisfactory to progress the scheme to full business case with finalised costs (decision point 5).

Timescales

- Leeds City Council Executive Board – February 2019
- Leeds City Council Highways Board approval - April 2019
- Full business case (decision point 4) - May 2019
- Full business case with finalised costs (decision point 5) - June 2019
- Construction commence - August 2019
- Construction complete (decision point 6) - November 2020

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3 (outline business case)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

Assurance Tolerances

Assurance tolerances
<p>Combined Authority costs should remain within 10% of the costs set out in this report</p> <p>The programme timescales should remain within 3 months of the timescales set out in this report</p> <p>Measureable benefits/outcomes should remain within 20% of the forecasts set out a decision point 3</p>

Project responsibilities

Senior Responsible Officer	Gary Bartlett, Leeds City Council
Project Manager	Andrew Wheeler, Leeds City Council
Combined Authority case officer	Ian McNichol

Appraisal summary

- 2.54 The scheme is part of the LPTIP and its objectives are well aligned with SEP Priority 4 - Infrastructure for Growth - and other key local and national

strategies and plans including the West Yorkshire Transport Strategy, and the West Yorkshire Bus Strategy. As well as improvements to bus journey times/reliability/quality it will improve facilities for cyclists and pedestrians and improve network safety for all uses.

- 2.55 The case for change is drawn from evidence of the performance of other similar schemes including the Leeds A65 Quality Bus Corridor and the procurement strategy is robust. The project forms part of the LPTIP and BAM have been appointed as main contractor with Mott MacDonald as their design subcontractors
- 2.56 The scheme represent 'high' value for money (VfM) and further sensitivity tests around different demand growth for general traffic will be provided at decision point 4 (Full business case).
- 2.57 The project will be funded 100% through LPTIP and the key financial risks are understood. It has a clearly defined delivery plan with an existing governance structure and experienced team in place. The approach to risk is appropriate to the scale and complexity of the project and the programme appears achievable.

Recommendations

- 2.58 That the Combined Authority approves that:
- (i) The Leeds Public Transport Investment Programme: A647 Corridor project proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the total project value of £9.68 million is given from Leeds Public Transport Investment Programme funding with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 4 (full business case) and decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	Corridor Improvement Programme Phase 1 - Huddersfield Southern Corridors
Stage	2 (Development)
Decision Point	3 (Outline business case)

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

Background

- 2.59 This scheme will be funded from the West Yorkshire plus Transport Fund. This is a £1 billion fund, covering West Yorkshire and York. The objectives of the West Yorkshire plus Transport Fund are to enable key employment and housing development areas and will help to create around 20,000 new jobs over the next 10 years. These strategic transport projects will be delivered to facilitate the growth priorities identified in the Leeds City Region Economic plan.
- 2.60 The Huddersfield Southern Corridors scheme is part of the Transport Fund's Corridor Improvement Programme (CIP). This programme seeks to address peak time congestion and connectivity challenges which are constraining growth associated with new housing and employment sites, through low and medium cost highway interventions across a range of key strategic corridors on the Key Route Network throughout West Yorkshire.
- 2.61 The Huddersfield Southern Corridors (HSC) proposal will deliver strategic interventions at four locations south of Huddersfield town centre. They are:
- Longroyd Bridge
 - Lockwood Bar
 - Queensgate
 - Folly Hall
- 2.62 The scheme will comprise of highways, junction and traffic signal improvements, enhancement to pedestrian footpaths and crossing facilities,

new cycle crossing provision, bus stop facility improvements, and public realm enhancements.

- 2.63 Following scheme delivery, it is anticipated journey times will reduce by 8% for all modes and 12% for buses during weekday AM and PM peak on the A616 and A62, help facilitate full delivery of the residential and employment sites allocated within the emerging Kirklees Local Plan for south and rural Huddersfield, and enhance provision for buses and active travel modes within the southern area in order to help limit net growth in car trips and reduce overall car mode share by 5%.
- 2.64 The scheme supports delivery of Priority 4 'Infrastructure for Growth' of the Leeds City Region Strategic Economic Plan (SEP), by creating additional capacity to enable development, and helping to achieve the Leeds City Region SEP principle of 'Good Growth'.
- 2.65 Members of the Investment Committee recommended to the meeting of the Combined Authority in June 2017 the CIP programme at decision point 2 is awarded an indicative West Yorkshire plus Transport Fund (Transport Fund) allocation of £67.8 million, with £4.482 million to fund project development costs to outline business case.
- 2.66 Within the aforementioned programme approval, the Huddersfield Southern Corridors scheme received an indicative allocation of £8.199 million towards scheme costs, with approval of £300,000 towards project development costs to outline business case.
- 2.67 The Huddersfield Southern Corridors scheme is now presented at outline business case and seeks to progress to full business case (decision point 4).

Outputs, benefits and inclusive growth implications

- 2.68 The forecast outputs, benefits and inclusive growth implications are:
- Reduce congestion within the HSC area for trips to/from Huddersfield along the A616 and A62, during the Monday to Friday AM and PM peak hours, with a target 8% reduction in average journey times by all modes and 12% reduction in average journey times by bus, within 5 years of scheme completion.
 - To improve journey time reliability on the A616 and A62 within the HSC area, particularly for public transport users, reducing variability between peak and off-peak time periods for journeys to/from Huddersfield within 12 months of scheme completion.
 - To help facilitate full delivery of the residential and employment sites allocated within the emerging Kirklees Local Plan for south and rural Huddersfield by 2030, by addressing existing transport constraints at Lockwood Bar, Longroyd Bridge and Folly Hall, and providing an environment which promotes and encourages use of active travel modes.
 - To enhance provision for buses and active travel modes within the HSC area in order to help limit net growth in car trips and reduce overall car

mode share by 5% by 2031, once trips generated by new development are accommodated.

- To reduce the number of collisions on the A616 and A62 within the HSC area by 10% within the first 12 months of opening compared with the annual average for 2013 to 2018, with a particular focus on reducing collisions involving pedestrians and cyclists.
- To help ensure that the annual mean nitrogen dioxide levels observed in the Huddersfield town centre AQMA do not exceed legal limits within 12 months of scheme completion.
- A benefit to cost ratio of 2.2:1 (high value for money) for the preferred option.
- The scheme will address traffic congestion and inadequacies of the road network south of Huddersfield town centre, to unlock opportunities for local development & investment, and support job creation.
- The scheme will encourage active mode travel with enhancements to the pedestrian and cycling provision, improving public health and quality of life.

Risks

2.69 The key risks to the project and the related mitigation are:

- Land acquisition - Majority of the highway works are within the adopted highway, but parcels of land specifically at the Lockwood site will need purchasing / demolition to accommodate the works. A Compulsory Purchase Order (CPO) will be needed if purchase through negotiation fails, potentially adding 18 months to the delivery programme. This has been factored in within the current delivery programme, with scheme completion by November 2022 as worst case scenario. It has also been noted that a number of the buildings are Listed but within council ownership.
- Loss of stakeholder support - An engagement exercise was undertaken in March 2018. Although feedback on the proposal was relatively positive, the response pool was less than 1% (34 responses). Further engagement and consultation to be undertaken early 2019 as part of Detailed Design and the Planning process.
- The scheme benefits for the Folly Hall element of HSG have not been made clear at outline business case. Current modelling indicates the inclusion of Folly Hall has slightly adversely affected the benefit cost ratio (BCR) and further work is required. The benefit of the intervention at Folly Hall will be explored further at full business case.

Costs

2.70 The project costs can be summarised as:

- The current total cost forecast for the scheme at decision point 3 is £8.199 million. This reflects no change to scheme costs as approved at decision point 2.
- The Combined Authority will fund £8.199 million from the West Yorkshire plus Transport Fund.
- At decision point 2 (case paper) £300,000 was approved to fund project development to outline business case (decision point 3).
- The scheme now seeks a further £2.234 million funding at outline business case (decision point 3). This will fund:
 - Project development costs of £634,000 to decision point 5 (full business case with finalised costs)
 - Land acquisition costs of £1.6 million
- This takes the total expenditure approval on the scheme to £2.534 million of which £934,000 is attributed to scheme development costs which is 11.4% of total scheme costs.

Timescales

- Outline business case approval (decision point 3) - February 2019
- Full business case approval (decision point 4) - January 2020
- Full business case with finalised costs approval (decision point 5) - April 2020
- Construction complete (decision point 6) - November 2022

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 3 (outline business case)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

Assurance Tolerances

Assurance tolerances
Combined Authority costs should remain within 10% of the costs set out in this report. That programme timescales should remain within 3 months of the timescales set out in this report.

Project responsibilities

Senior Responsible Officer	Karl Battersby, Kirklees Council
Project Manager	James Newell, Combined Authority
Combined Authority case officer	Asif Abed

Appraisal summary

- 2.71 The Huddersfield Southern Corridors scheme demonstrates a good strategic case, given it is to be delivered as part of the CIP programme phase 1 package, with the proposed scheme interventions to the south of Huddersfield town centre anticipated to realise benefits prioritised by the CIP programme and West Yorkshire plus Transport Fund.
- 2.72 The financial case provides further support for the scheme, highlighting the forecast scheme cost of £8.199 million at decision point 3 is still in accordance to the indicative approval granted by the Combined Authority at decision point 2. The scheme promoter has additionally demonstrated Kirklees Council is still in a position to deliver all three CIP phase 1 schemes within the indicative £21 million Transport Fund allocation - the other two CIP schemes being The A62 Smart Corridor and the Holmfirth Town Centre Access Plan.
- 2.73 The value for money assessment through appraisal of the economic case delivers a benefit cost ratio of 2.2:1, judged as high value for money. More work will be undertaken on modelling and benefits being quantified as part of full business case development.
- 2.74 Kirklees Council will be the delivery lead with AECOM and WYG appointed as business case development partners.
- 2.75 The scheme will continue reporting to the Corridor Improvement Programme project board.

Recommendations

- 2.76 That the Combined Authority approves that:
- (i) The Huddersfield Southern Corridors scheme proceeds through decision point 3 and work commences on activity 4 (full business case).

- (ii) An indicative approval to the total project value of £8.199 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Development costs of £2.234 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total project approval to £2.534 million. This includes land acquisition costs of £1.6 million.
- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council for expenditure of up to £2.534 million from the West Yorkshire plus Transport Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Project Title	Rochdale Canal – Cycle Safety Fund
Stage	2 (Development)
Decision Point	4 (Full business case)

Is this a key decision?	<input checked="" 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:		

Background

- 2.77 The project forms part of the CityConnect programme which is delivering on the Governments Cycling and Walking Investment Strategy that aims to double cycling activity by 2025 and is funded through the DfT Cycle City Ambition Grant and Cycle Safety Grants. The programme has an overall vision to get more people cycling and walking more often and aims to:
- Make cycling and walking natural and popular choices for short journeys
 - Make cycling and walking accessible to everyone
 - Improve access to employment, skills and education
 - Reduce CO2 and improve local air quality
 - Create a safe environment for walking and cycling
- 2.78 The objectives of the scheme are to increase walking and cycling by creating a high quality safe and attractive environment, support Priority Area 3 (Clean Energy & Environmental Resilience) and 4 (Infrastructure for Growth) of the Strategic Economic Plan.
- 2.79 The scheme will deliver a high quality 6km cycle route in the Calderdale district between the centres of Hebden Bridge and Todmorden, forming part of the Calder Valley cycle route. It forms part of the existing CityConnect programme (adding to the routes already constructed and under construction) in the area, providing a continuous off road route between Brighouse and Todmorden.
- 2.80 This scheme will utilise the Rochdale canal towpath, as a traffic free, flat and attractive alternative to the A646, through the provision of a new upgraded towpath, a signage package and 0.745km of canal wash wall repairs. It will

increase route widths available for cyclists and pedestrians as well as providing a durable all weather surface that is also in keeping with the nature and historic value of the canal environment.

- 2.81 As part of the CityConnect Programme, the Combined Authority is responsible for programme management and the project is managed by the Canals & Rivers Trust. Kier are the appointed contractor.
- 2.82 Decision point 2 (case paper) approval for the scheme was given in August 2018 for a Combined Authority grant of £1.473 million, utilising the DfT Cycle Safety Funding, towards a total scheme cost of £1.553million with a funding contribution of £800,000 from Calderdale Metropolitan Borough Council. Whilst the project costs have increased since decision point 2 the project is still considered value for money and a good scheme.

Outputs, benefits and inclusive growth implications

- 2.83 The scheme will facilitate journeys to be made by bike or on foot as well as and delivering safety improvements along the corridor and improving flood resilience. It will:
- Create 6km of high quality cycle route connecting people to urban centres and key employment sites, to provide 12km of improvements on the Rochdale Canal including Phase 1 of the scheme.
 - Support an increase the numbers of walking and cycling trips on the route by 20% and 66% respectively.
 - Support a 20% reduction in cyclist's road traffic accidents on the A647 corridor.
 - Reduce the risk of flooding to 32 homes along the canal corridor through wash wall repair.
 - The forecast benefit cost ratio of the scheme is 1.4:1. The BCR for the full 12km improvement is 2:1.

Risks

- The key design and delivery risks to the scheme and the related mitigation are:
- Not achieving the quality and design standards set out in the CityConnect Quality Management strategy. Final designs have been approved by the Programme Board following inputs from the scheme Advisory Group
- Construction works adversely affect adjacent structures. This risk will be transferred to the contractor, Kier.
- Fluctuations in water levels during the construction works. This will be mitigated by carrying out flood resilience works prior to construction of the towpath.

Costs

2.84 The current total forecast cost of the scheme is £2.101million. This is an increase of £560,000 from decision point 2 (case paper) and can be met within the City Connect Programme allocation. The rationale for this cost increase is:

- The costs included in the expression of interest were indicative only and have been further refined by the Canals & Rivers Trust; and,
- The costs have been refined to take account of further survey work undertaken and the availability of benchmark cost information from the Phase 1 scheme.

2.85 The Combined Authority contribution to the total forecast cost of the scheme is £1.971million, an increase of £498,000 from decision point 2 (case paper). This will be funded by:

- £1.473 million from the DfT Cycle Safety Grant; and
- £498,000 from the Cycle City Ambition Grant (Utilising unspent monies from completed CityConnect schemes that have been returned to the programme). The use of these funds for this project has been endorsed by the CityConnect Programme board.

2.86 The remaining £130,000 of scheme costs will be funded by Calderdale Metropolitan Borough Council, which has funded scheme development costs.

Timescales

- Full business case with finalised costs approval at decision point 5 is forecast for March 2019
- Start of construction is forecast for March 2019
- Completion of construction (decision point 6) is forecast for September 2019

Assurance pathway and approval route

Assurance pathway	Approval route
Decision point 4 (full business case)	Recommendation: Investment Committee Decision: Combined Authority
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director

Assurance Tolerances

Assurance tolerances
That the scheme costs remain within 10% of the costs identified within this report
That the project delivery timescale remains within 3 months

Project responsibilities

Senior Responsible Officer	Caroline Farnham-Crossland, Combined Authority
Project Manager	Fiona Limb, Combined Authority
Combined Authority case officer	Ian McNichol

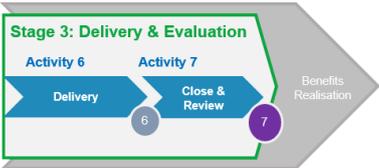
Appraisal summary

- 2.87 The project has a strong strategic and commercial case and appears ready to deliver subject to confirmation of the final costs. The rationale for the increase in costs appears reasonable for a project moving from decision point 2 (case paper) to decision point 4 (full business case) and funding appears to be in place to address this cost increase. The project delivers wider benefits and is integrated with other existing/planned investment in the area which may support a higher growth scenario and an improved benefit cost ratio post implementation.

Recommendations

- 2.88 That the Combined Authority approves that:
- (i) The Rochdale Canal Cycle Safety Fund Towpath Phase 2 (Hebden Bridge to Todmorden) scheme proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
 - (ii) An indicative approval to total project cost of £2.101 million of which £1.971 million will be Combined Authority Funding which will be funded from the DfT Cycle Safety Grant and Cycle City Ambition Grant with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3: Delivery and Evaluation



2.89 There are no schemes requiring consideration at this assurance stage.

Approval of revised approval route

- 2.91 At the meeting of the Combined Authority on 13th December 2018, it was agreed that future decisions on a number of identified schemes (due to be considered in the following 6 months) would be delegated to the Investment Committee.

A629 Phase 2 and Phase 4

- 2.92 One of the schemes on the agreed list was Calderdale's A629 phase 4, which forms part of the A629 programme. The A629 programme consists of six schemes. The A629 phase 2 scheme was due to be considered by the Investment Committee in January 2019 and Combined Authority at this meeting and as a result no delegation to the Investment Committee was sought for this scheme. Upon receipt of both business cases it has been determined that there is significant merit in both schemes being considered at the same meeting of the Investment Committee because of the wider programme considerations, as a result they will be presented to March's Investment Committee meeting. In order for the committee to make decisions regarding both these schemes, a delegation is sought from the Combined Authority for the A629 phase 2 scheme.

Dewsbury Riverside Housing Scheme

- 2.93 The Dewsbury Riverside Housing scheme has come forward for decision point 3 (outline business case) approval earlier than anticipated and as a result was not on the agreed list of schemes that would be delegated to Investment Committee, therefore approval is now sought from the Combined Authority that the Investment Committee can now make this decision on this scheme.

Recommendation

- 2.94 That the Combined Authority approves the revised approval route for the A629 Phase 2 and the Dewsbury Riverside Housing scheme, to enable the Investment Committee to make the decision on behalf of the Combined Authority.

Decisions made by the Investment Committee

- 2.95 The Investment Committee is authorised to progress a scheme under the Assurance Framework in accordance with any bespoke approval pathway and approval route, subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%. Decisions regarding the following schemes have been made by Investment Committee at the 9 January and 6 February 2019 meetings. The decisions were made by the Investment Committee following a recommendation from Combined Authority Programme Appraisal Team. All the schemes outlined below have remained within the financial approvals and tolerance levels agreed by the Combined Authority unless stated otherwise below.

Bradford Interchange Station Gateway – Phase 1

- 2.96 The change request related to the Bradford Interchange Phase 1 project to increase development funds by £113,000 from £180,000. The Bradford Interchange Station Gateway will deliver an improved gateway environment at Bradford Interchange which will improve the customer experience and the pedestrian environment. The Investment Committee approved the change request value of £113,000 and to enter into an addendum to the existing funding agreement with City of Bradford Metropolitan District Council for additional expenditure of up to £293,000 on 9 January 2019.

Bradford Forster Square Station Gateway

- 2.97 The change request related to the Bradford Forster Square Station Gateway to increase the delivery timeframe from March 2021 to December 2021. The Bradford Forster Square Station Gateway will deliver an improved gateway environment at Bradford Forster Square which will improve the customer experience and the pedestrian environment. The Investment Committee approved the change request delivery timeframe and to enter into an addendum to the existing funding agreement with City of Bradford Metropolitan District Council amending the programme dates as detailed on 9 January 2019.

Halifax Town Centre – Northgate House

- 2.98 The decision point 4 approval related to the Halifax Town Centre – Northgate House scheme and work starting on activity 5 (full business case with finalised costs). The scheme involves the refurbishment of part of the former Calderdale Council offices at Northgate House to create 4,274m² of office and 1,115m² of retail floorspace, offering new employment and training opportunities associated with occupiers letting space in the completed development and also supporting the vitality and vibrancy of Halifax town centre by increasing footfall. The scheme is due to be approved by the Combined Authority's Investment Committee on 6 February. The February Investment Committee was due to approve the decision point 4 for indicative approval of £3 million from the Local Growth Fund (Growth Deal 3) towards a total scheme cost of £10.655 million with full approval to spend being granted once the scheme has progressed to decision point 5 (full business case with finalised costs). Please see paragraph 1.2 above.

3 Inclusive growth implications

- 3.1 The inclusive growth implications are outlined in each scheme, see above.

4 Financial implications

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

5 Legal implications

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

6 Staffing implications

- 6.1 A combination of Combined Authority and local Partner Council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

7 External consultees

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

8 Recommendations

Raising Aspirations

- 8.1 That the Combined Authority approves that:
- (i) The raising aspirations project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs)
 - (ii) An indicative approval to the total project value of £400,000 to be funded by the Combined Authority from the secured business rates pool funding with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Headrow City Centre Gateway

- 8.2 That the Combined Authority approves that:
- (i) The Headrow Gateway scheme proceeds through decision point 3 and work commences on activity 4 (full business case).
 - (ii) An indicative approval to the total project value of £20.7 million is given from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).

- (iii) Development costs of £500,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total project approval to £1.1 million.
- (iv) The Combined Authority enters into an addendum to the existing Funding Agreement with Leeds City Council for expenditure of up to £1.1 million from the Leeds Public Transport Investment Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

A647 Bus Priority Corridor

8.3 That the Combined Authority approves that:

- (i) The Leeds Public Transport Investment Programme: A647 Corridor project proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- (ii) An indicative approval to the total project value of £9.68 million is given from Leeds Public Transport Investment Programme funding with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 4 (full business case) and decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Corridor Improvement Programme Phase 1 - Huddersfield Southern Corridors

8.4 That the Combined Authority approves that:

- (i) The Huddersfield Southern Corridors scheme proceeds through decision point 3 and work commences on activity 4 (full business case).
- (ii) An indicative approval to the total project value of £8.199 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Development costs of £2.234 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs)

taking the total project approval to £2.534 million. This includes land acquisition costs of £1.6 million.

- (iv) The Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council for expenditure of up to £2.534 million from the West Yorkshire plus Transport Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Rochdale Canal – Cycle Safety Fund

8.5 That the Combined Authority approves that:

- (i) The Rochdale Canal Cycle Safety Fund Towpath Phase 2 (Hebden Bridge to Todmorden) scheme proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval to total project cost of £2.101 million of which £1.971 million will be Combined Authority Funding which will be funded from the DfT Cycle Safety Grant and Cycle City Ambition Grant with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Approval of revised approval route

8.6 That the Combined Authority approves:

- (i) The revised approval route for the A629 Phase 2 and the Dewsbury Riverside Housing scheme, to enable the Investment Committee to make the decision on behalf of the Combined Authority.

9 Background documents

9.1 Business case summaries for the schemes recommended for approval by the Investment Committee are available here:

[January Investment Committee](#)

[February Investment Committee](#)

10 Appendices

Appendix 1 – Background to the Combined Authority’s assurance framework

Appendix 2 – Location maps for the schemes presented in this report

Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Appendix 1: Background to the Combined Authority’s Assurance Framework Information

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



1.2 The Programme Appraisal Team (PAT) appraises all schemes at the decision points. The PAT consists of an independent panel of officers representing policy, legal, financial, assurance and delivery. The scheme promoters from our partner councils or partner delivery organisations attend the meeting to introduce the scheme and answer questions from the panel. The terms of reference for the PAT are contained within the Leeds City Region Assurance Framework.

Assurance pathway and approval route

1.3 The tables for each scheme in the main report outlines the proposed assurance process and corresponding approval route for the scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A

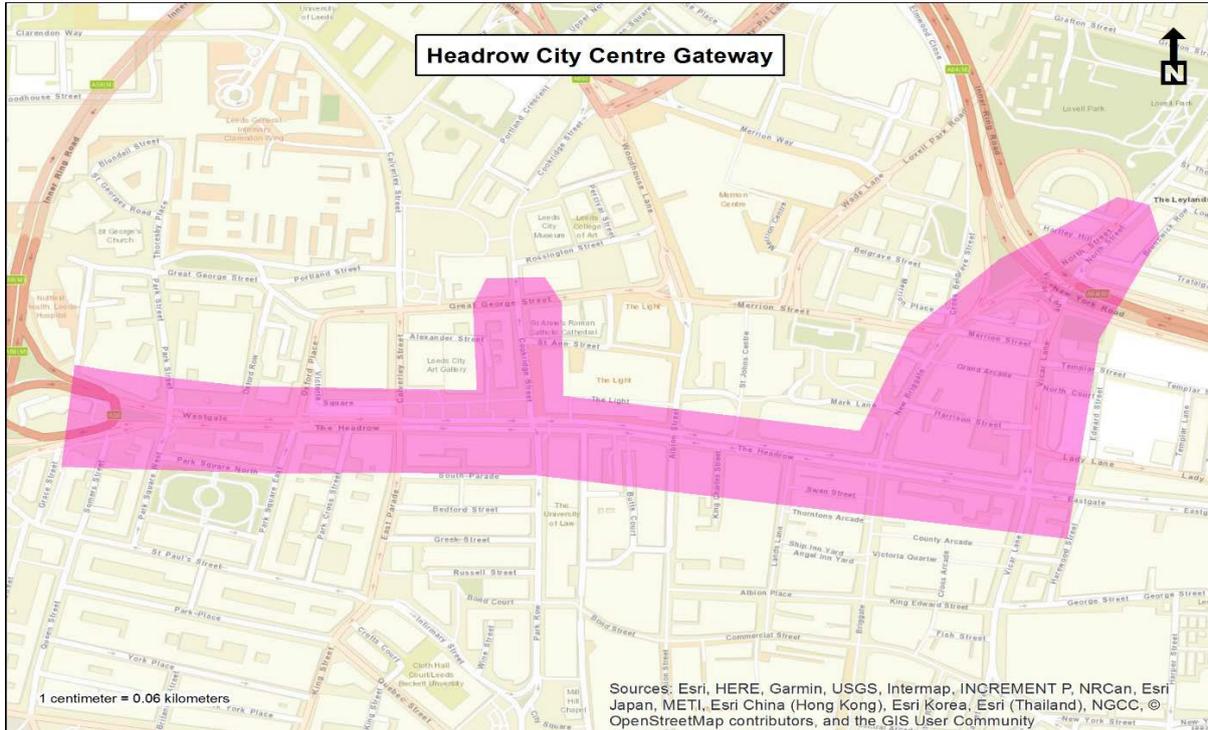
delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

Assurance Tolerances

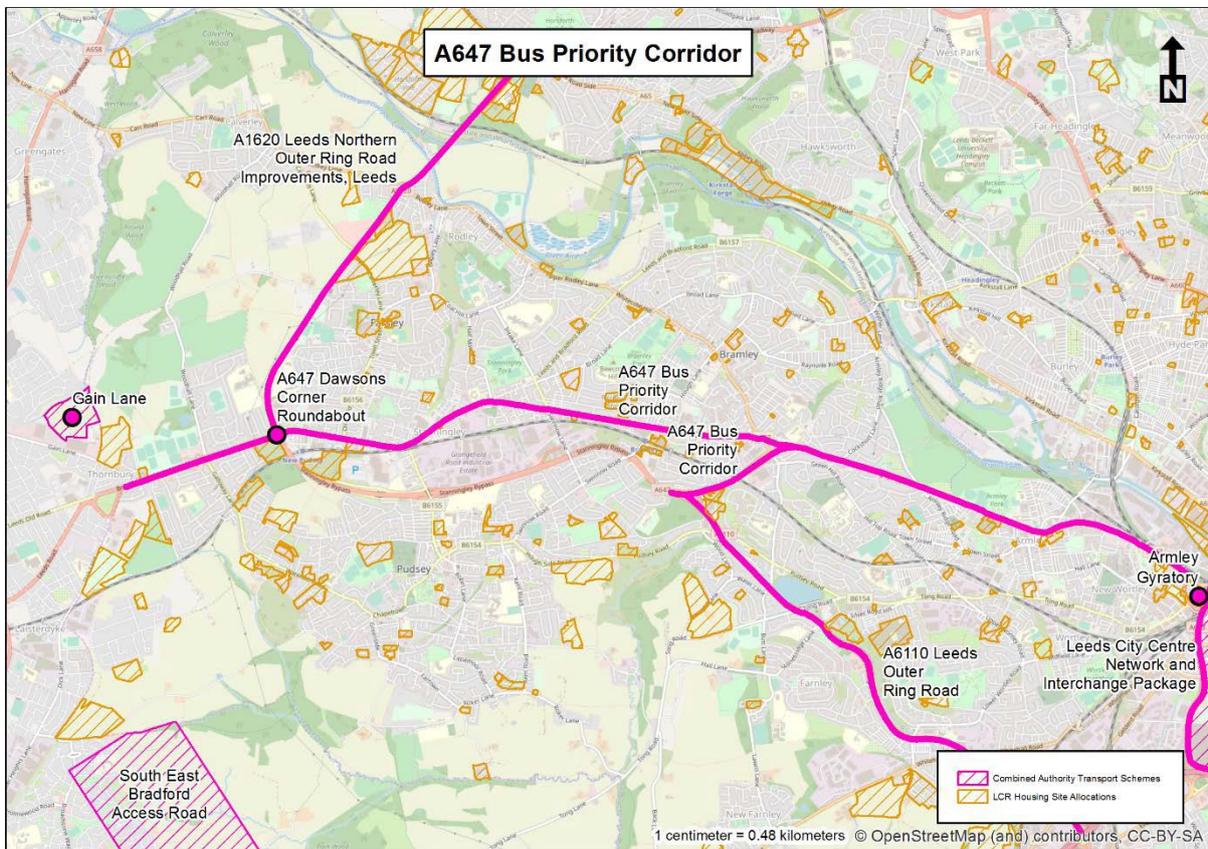
- 1.4 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the assurance tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority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

Scheme location maps

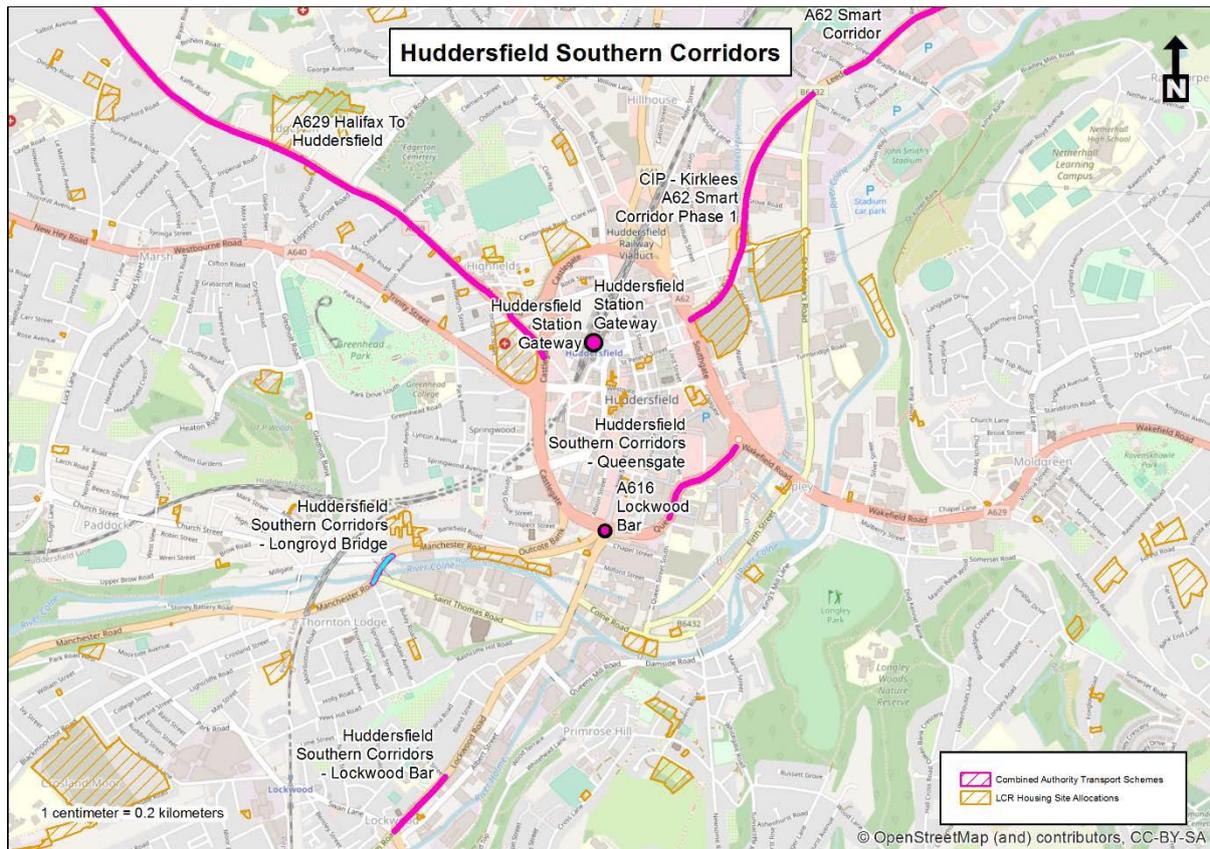
Headrow City Centre Gateway



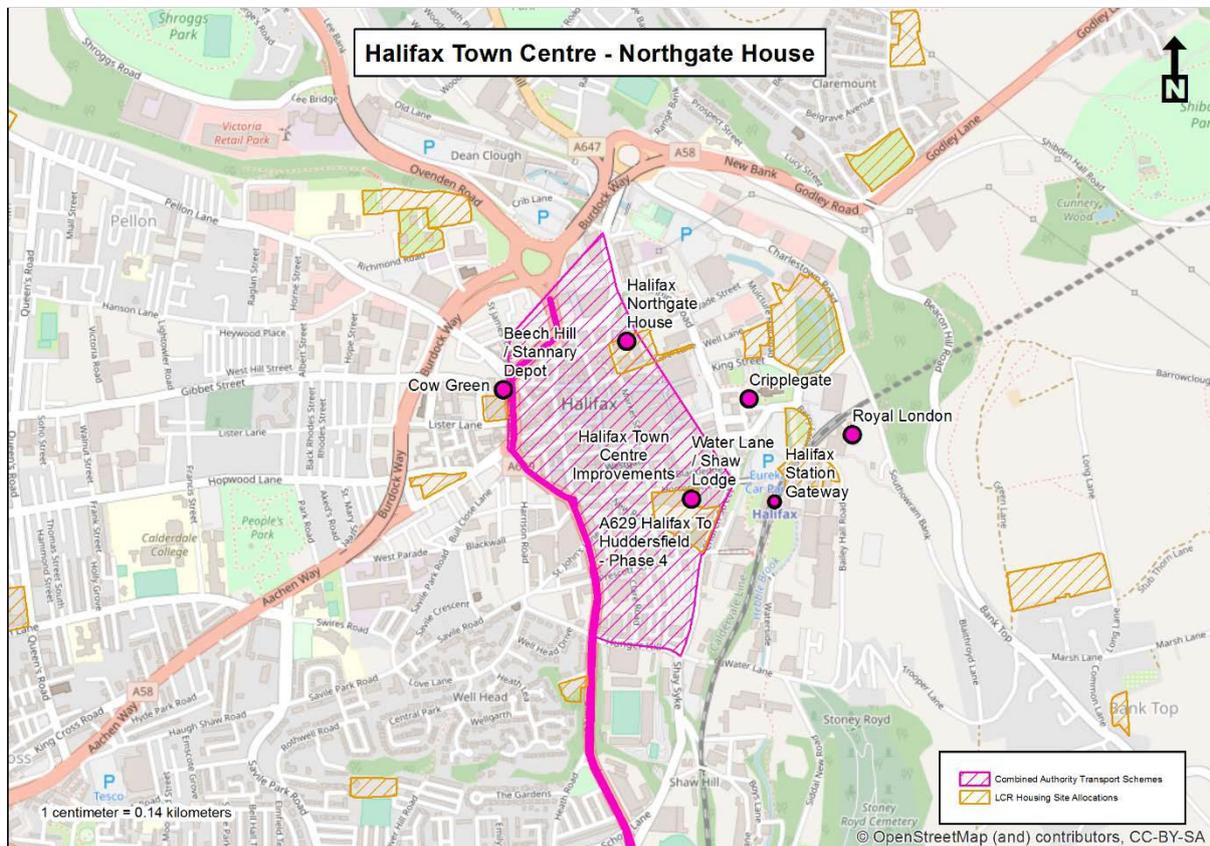
A647 Bus priority corridor



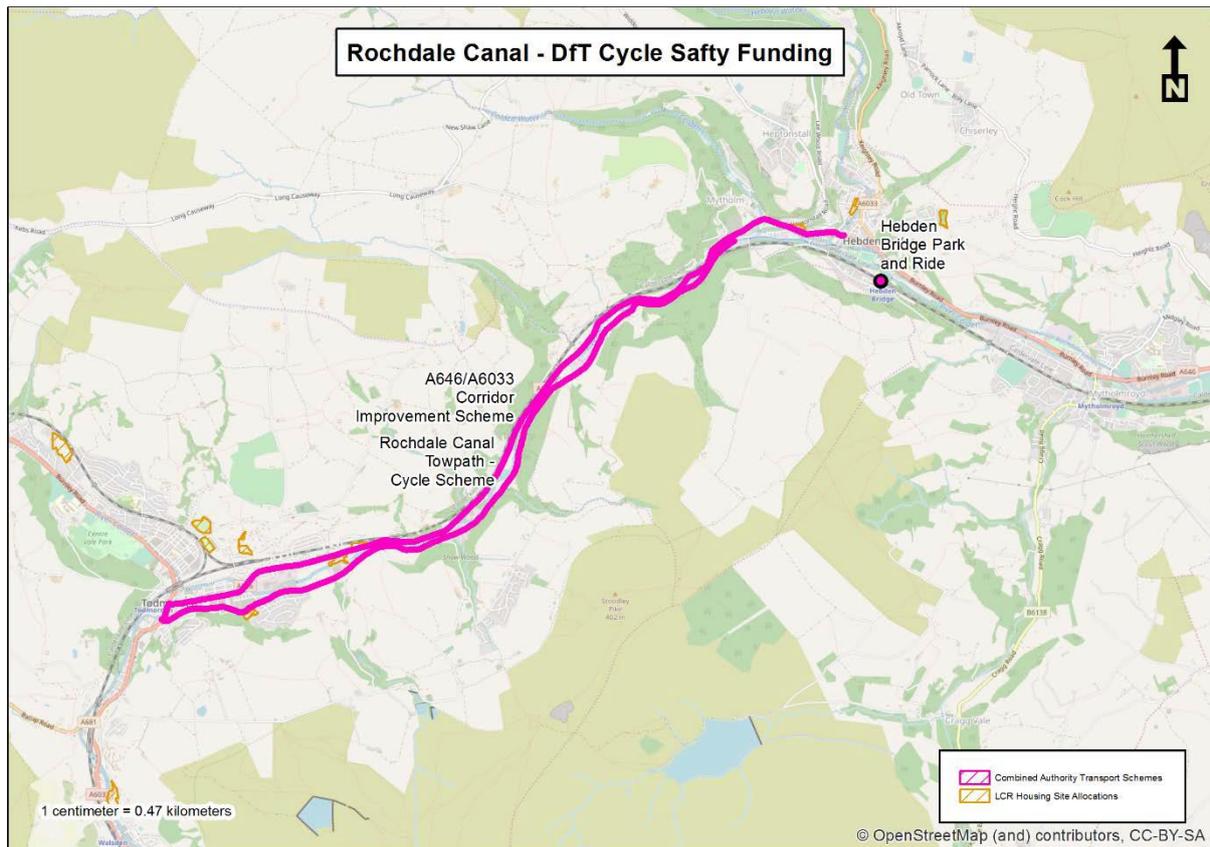
Huddersfield southern corridors



Halifax Town Centre – Northgate House



Rochdale Canal



Please note, depending on the level of scheme development the location and scope of the schemes indicated here are indicative only.

For further information on Combined Authority schemes across the Leeds City Region please refer to:

<https://www.westyorks-ca.gov.uk/economy/leeds-city-region-infrastructure-map/>

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Budget and business plan 2019/20**

Director: Angela Taylor, Director of Corporate Services

Author(s): Jon Sheard and Angela Taylor

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

1. Purpose of this report

- 1.1 To consider and approve the proposed revenue budget and transport levy for 2019/20, the indicative capital programme, capital strategy and treasury management statement.
- 1.2 To approve the detailed business plan for 2019/20 that sets out the services, activities and priorities for the organisation in the coming year.

2. Information

Background

- 2.1 West Yorkshire Combined Authority continues to focus on its ambitious plans, seeking to deliver good inclusive growth for the region. Building on its progress in recent years which has seen the organisation reshaped and streamlined in order to best support this aim, the previous year has seen good progress on a number of fronts with successes including:

- Good progress on West Yorkshire plus Transport Fund (WY+TF) schemes, including the regeneration of subways to Wakefield Kirkgate Station, further stages of the A629, consultation on a proposed new station at Elland, rail

station park and ride schemes at Fitzwilliam and Mirfield stations and progress at York Central which will enable the development of up to 2,500 homes.

- Approval to a natural flood management project in the Colne and Calder valleys that will protect 2,071 homes and 1,022 businesses
- improvements through the Better Homes Yorkshire scheme to over 1,320 homes across the City Region to reduce their heating and hot water bills by an average of £300 a year
- Work has started on the creation of the New Bolton Woods urban village near Shipley that will see 145 new homes created and enabling development bringing 1,000 new homes to the area.
- Securing the regional headquarters for Channel 4, bringing opportunities for the independent production sector across the region and generating a £1 billion economic impact over the next decade.
- Further investments in cycling and walking through the CityConnect programme, including the new Scarborough Bridge pedestrian and cycle crossing and canal towpaths in Bradford and Wakefield.
- Introduction of free wifi at bus stations across West Yorkshire
- Supported over 1,000 businesses with free advice and guidance on growing their business
- Engaged with over 500 businesses as part of the Resource Efficiency Fund, to help them deliver carbon savings
- the opening of the Springfield Centre in Dewsbury, providing high quality vocational programmes for students.

2.2 The Combined Authority works alongside the Leeds City Region Enterprise Partnership (LEP) in delivering its aims, with the LEP providing strong and strategic links to business across the region. During 2018/19 government issued its 'Strengthening LEPs' document, setting out further steps to maximise the success of the current LEP arrangements. As a result the Leeds City Region LEP and York, North Yorkshire and East Riding LEP have proposed that their main constituents join together as one LEP from April 2020. If this merger proceeds then the outcome is a strengthened LEP that will build on the success of the current arrangements and increase the LEP's impact in driving economic growth.

2.3 The increased LEP footprint and reach will strengthen the voice of the north in making the case for investment in the region. The current Growth Deal funding – the largest Growth Deal in the country – comes to an end in March 2021 and the size and shape of funding beyond this date is unknown. Short term funding streams supporting skills and business interventions also come to an end during this time period, creating a huge gap in the Combined Authority and LEP's ability to respond in these critical areas. Whilst negotiations continue with government on a devolution deal that would bring significant benefits for the region to build on the successes to date it is still unclear how and when this will be finalised.

2.4 Coupled with this are the challenges on securing the appropriate revenue budget. The Combined Authority is largely funded by a combination of government grants and the transport levy paid by the constituent local authorities – Bradford, Calderdale, Kirklees, Leeds and Wakefield. Local

authorities are facing a difficult funding position as they await the outcome of the fair funding review and the comprehensive spending review in 2021. Meanwhile their funding continues to fall and the demand for their services continues to increase.

- 2.5 In setting its revenue budget the Combined Authority is mindful of these constraints on its partners and is proposing a continuing reduction in the levy contribution paid to it, as well as a short term reprofiling of one of the earmarked reserves. In support of the levy reduction the Combined Authority is also seeking to ensure that it has maximised its opportunities to increase income, reduce expenditure and demonstrate that it is operating as efficiently and effectively as possible. The business plans set out later in this report seek to demonstrate clearly how and where the revenue budget is spent and what services and outcomes are achieved as a result.
- 2.6 The focus for 2019/20 will continue to be on achieving inclusive economic growth, through improving the number of good quality jobs on offer, improving connectivity and increasing opportunities for young people to progress and for businesses to move to and grow within the region. Last year the Combined Authority agreed its three overarching priorities, to which its service provision is aligned – Productivity, inclusive growth and 21st century transport. Progress has also been made this year on the Strategic Economic Plan objective of a zero carbon economy. This includes the approval in December 2018 of the regional Energy Strategy and Delivery Plan which commits to reduce carbon emissions in line with the targets set in the Paris Climate Agreement by 2036. It is therefore proposed that a fourth corporate priority of clean growth is introduced.

Business plan 2019/20

- 2.7 Work has been undertaken to produce a detailed business plan for the Combined Authority for 2019/20, maintaining the focus on the three big objectives agreed for the 2018/19 corporate plan: Productivity, inclusive growth and a 21st century transport system. As set out in paragraph 2.6 above a number of actions addressing carbon reduction have also been identified, and clean growth is therefore included in the business plan as a fourth priority.
- 2.8 In producing their business plans all directorates have been required to demonstrate how their 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. A clear link through to the four priorities must also be made clear.
- 2.9 **Appendix 1** sets out the proposed business plan for each directorate, demonstrating how they deliver against the organisation's corporate priorities and objectives and, at a summary level, the resources required to do so. Each directorate has also defined a number of key performance indicators that will enable performance to be monitored throughout the year. These indicators build on current levels of achievement to provide an element of stretch, as well

as demonstrating efficiency and value for money. Regular reporting will be undertaken throughout the year.

- 2.10 A public facing corporate plan is being produced for April, drawing on the information in the business plans and presenting this in an accessible way to demonstrate what the Combined Authority and LEP intend to deliver for people in the region in the coming year.

Revenue budget 2019/20

- 2.11 The Combined Authority approved a medium term financial strategy at its meeting in February 2018. This recognised the funding difficulties facing the public sector and acknowledged the need for the Combined Authority to achieve a balanced position whilst reducing the funding from its local authority partners. The strategy included a commitment to reduce the transport levy by £1 million each year and to utilise transport fund reserves to balance the budget for 2018/19 and 2019/20. Over that time period actions would be taken to reduce expenditure, particularly on the provision of bus tendered services such that by 2020/21 the budget would balance without the need to use reserves.
- 2.12 The budget position for 2019/20 has recognised the agreement reached in February 2018 and has been developed through the Combined Authority's Member Budget Working Group, and with input from the Overview and Scrutiny Committee and overview from local authority partner Leaders, Chief Executives and Directors of Finance. This work has enabled the outline budget for 2019/20 to be further developed, taking into account changes that have occurred since the strategy was agreed in February 2018 and agree how to manage new and emerging budget pressures. In reaching the proposed position for 2019/20 and establishing a revised forecast for 2018/19 a number of savings and income targets have been established alongside reductions in expenditure.
- 2.13 The original budget for 2018/19 was approved to use £1.4 million of reserves. Actions taken in the current year have delivered the first tranche of the savings required on bus tendered services whilst minimising impacts on customers. Costs and income have been closely monitored throughout the year and the revised forecast outcome demonstrates that it is expected to be in line with the original approved budget in overall terms. There are some variances within budget lines but the closing position is expected to be a use of reserves of £1.0 million. This is set out in **Appendix 2**.
- 2.14 The proposed revenue budget for 2019/20 is set out in **Appendix 3** and, in line with the agreed strategy, balances income and expenditure to the agreed use of reserves figure of £1.2 million. The following paragraphs consider the key drivers and assumptions for the main budget lines which shape the 2019/20 proposed budget.

- 2.15 **Bus strategy** – The commitment made in the strategy requires a 20% reduction in the cost of bus tendered services over a three year period. This is on top of actions already taken over the last 10 years which have seen the cost of providing bus services reduce by 50% in real terms. These were achieved through both smarter procurement and a continued focus on value for money.
- 2.16 A thorough review of the way in which bus services are provided is underway in order to deliver the required 20% reductions over the three year period of the strategy. In 2018 the Combined Authority’s Transport Committee considered the issues around the effectiveness of expenditure on bus services in supporting mobility and approved revised policy guidelines together with a programme of district level bus network reviews. It also approved for consultation revised policy guidelines in respect of home to school services.
- 2.17 Actions taken in the current year in relation to contract awards and amendments have delivered the first tranche of the savings required on bus tendered services whilst minimising impacts on customers. The opportunity to retender some schools services has provided additional savings which assist in contributing to the further savings targets required by 2020/21.
- 2.18 **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. The year 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. The assumption in the 2019/20 budget is £46 million with a small reduction forecast for 2020/21. In the absence of any further agreements payments will be made based on actual patronage and the calculated reimbursement rate.
- 2.19 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 nineteen. 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. A further £650k is spent on discretionary concessions for seniors on rail and work will be undertaken in the coming year to ensure how this is best aligned with policy outcomes.
- 2.20 **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, which is a great value smartcard that makes travelling on buses and

trains a lot simpler. 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.

- 2.21 **Transport Services** – as well as the position set out above with regard to bus tendered services and concessionary travel other areas of spend have been examined within the transport services directorate. Costs have already been reduced over recent years 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 already 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. There is also a plan to reduce the operating costs of travel centres within the bus stations with the full impact of this coming into the budget from 2020/21.
- 2.22 **Enterprise Zones** - the LEP has established two Enterprise Zones (EZ), one in Leeds and a multi site one that consists of eight sites along the M62. The business rates earned from these sites accrues to the LEP and is received by the Combined Authority as the accountable body. This continues over the 25 year period since they were established (2013 for Leeds and 2016 for the M62) and is one of the key income streams that has the capacity to grow and assist in establishing a viable revenue budget in future years.
- 2.23 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 2018 the forecast income from this site has fallen 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.
- 2.24 The M62 EZ consists of eight sites, only two of which are forecast to make any payments this financial year – Lindley Moor West and South Kirkby. Collectively the sites require significant 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 plan identifying priority sites for investment is under development.
- 2.25 **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. Due to the size and shape of the future capital programme a further increase has been made for 2019/20.

- 2.26 **Policy, Strategy and Communications**– a number of posts in the team have been held vacant in the 2018/19 budget in order to manage costs. 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 district council partners. Additionally there is significant work required to ensure the development of the Local Inclusive Industrial Strategy (LIIS), is underpinned by robust evidence. A compelling strategy will be key to unlocking future funding for the region. Some Government funding has been secured to support this significant piece of work but it is likely that further resources will be required and some allowance has been made in the 2019/20 budget to ensure this work is prioritised. Should the proposed LEP merger proceed then the work required to produce the LIIS will increase.
- 2.27 **LEP merger** – the proposed merger between the main constituents of the Leeds City Region LEP and the York, North Yorkshire and East Riding LEP will be considered by the two LEP Boards at their March meeting. Government funding of £200k has been secured by each LEP to support the work required, should approval be given to proceed, to establish new ways of working for the new merged organisation and put in place the right governance and practical arrangements.
- 2.28 **Rail** – the concerns with the performance of the local rail network is requiring a marked increase in work from the current rail team to address issues and consider future plans. A short term increase in the team is planned for 2019/20 to assist with this work. Current work on supporting the rail franchise is funded from government via the rail administration grant arrangements which are under review and may result in a loss of income in future years. The Combined Authority is pressing for retention of this funding.
- 2.29 **Trade and Investment** – external funding is being sought to continue the Key Account Manager posts currently provided through external funding 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 and that the team is able to respond on behalf of the region to opportunities.
- 2.30 **Pay and pension** – the triennial pension valuation will be undertaken during 2019 and will have an impact on ongoing employer contributions from 2020/21. At this stage it has been assumed that contributions will remain unchanged.
- 2.31 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.

- 2.32 The proposed budget includes a savings target of £1.05 million against staffing costs. This is based on savings against budget that will arise as a result of the timing gap between employees leaving and their replacements starting work, as well as the savings secured by purposefully not filling the full establishment of the policy and strategy teams. 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.
- 2.33 **Commercialisation** – the Combined Authority owns a portfolio of operational property asset, largely the bus stations in West Yorkshire and some land and property acquired for previous transport schemes. An asset management strategy is in development. In parallel with this opportunities are being sought to maximise commercial rents from the portfolio and to identify the longer term scope to realise any redevelopment potential. The proposed revenue budget includes increased targets for tenant income at the main premises, as well as income from toilet charging which has been introduced at the larger bus stations.
- 2.34 **Other income streams** – the Combined Authority continues to seek and be awarded further funding, much of which is short term and only confirmed on an annual basis. All of this confirmed funding has been built into the 2019/20 budget. At this point the continuation of this funding beyond 2019/20 is unclear and gives rise to a budget gap of up to £3 million should the Combined Authority and LEP wish to continue providing the services funded in this way. This ‘cliff edge’ scenario of short term funding coming to an end for business support programmes in particular continues to cause ongoing challenges in planning the delivery of these key programmes.
- 2.35 **Borrowing costs** – An indicative three year capital programme and statement of available funding have been prepared and are considered in more detail later in this paper. 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 capital programme. Much of the current Growth Deal funding which makes up the largest element of the capital funding available concludes in March 2021. There is an ongoing income stream beyond this date of £40 million per annum for the West Yorkshire plus York Transport Fund (WY+TF), to be supplemented by borrowing in accordance with the original City Deal agreed in 2012, 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. The call for projects undertaken in 2018 sought to ensure priority projects identified since the original Growth Deal schemes were identified could be included in the programme and recognised that borrowing may be required to manage any over programming arising.

- 2.36 The detailed WY+TF programme is verified by local authority partners delivering the individual projects and highlights a borrowing requirement from 2019/20 onwards. The estimated revenue costs of supporting this borrowing, which is predominantly for the WY+TF, are reflected in the final proposed budget in today's report, and are 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. The Transport Fund reserve currently has sufficient funds to meet these initial borrowing costs and it is therefore proposed that a rebate back to local authority partners of £2 million is made for each of the next two years. Ongoing review of the capital programme and borrowing requirements will continue and the scale of contributions to the reserve will be reconsidered each year as part of the annual budget discussions.
- 2.37 **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 in 2019/20 to establish the potential financial costs of doing this, alongside the wider inclusive growth benefits of doing so. This will be undertaken using existing resources.

Reserves policy

- 2.38 Any budget proposals should be supported by an appropriate reserves policy. Good practice is that such a policy should be based on a risk assessment of the different areas of spend and income and as such will vary from year to year and from organisation to organisation. The workings for this year's reserves policy are set out in **Table 1** below and are based on the approach taken in previous years with an updated assessment of the relative risks.

Table 1 - Reserves Policy	Budget 2019-20 £m	Reserves 2019-20 £m
Risk on Concessions	56.42	
3% contingency for volatility of payments: no agreements in place with operators as paying on SMART data		1.69
Risk on Subsidised Bus services	16.77	
3% contingency due to inflation higher than budget		0.50
50% Risk of not reducing budget/unintended reactions from operators		0.70
Risk on other areas of spend		
Passenger & Bus Station Services (net)	6.95	
Trade and Inward Investment	0.95	
Policy, Strategy and Communications	5.59	
Financing (net)	5.47	
Resources	<u>5.71</u>	
	24.67	
Risk of inflation increases/capacity demands etc at 3%		0.74
Risk on income		
Risk that income falls short of expectations (eg Enterprise Zone receipts)		0.50
Total reserves required		<u>4.14</u>

- 2.39 The closing general reserves position for 2018/19 is currently forecast to be £4.2m, although it is intended to seek to increase this level further through in year savings/ efficiencies in the remaining months. For 2019/20 the budgeted assumption is that £1.2m of reserves are required reducing the general reserve to £2.1m – which would be below the level assumed in the reserve policy workings (**Table 1** above). In line with the decision made in February 2018 regarding the medium term financial strategy to protect the general reserves at the required level, it is proposed that a transfer is made from the WY+TF reserve in the short term to maintain the general reserves at the minimum level. The general reserves policy will be kept under review to ensure it is kept at an optimum level to best meet the needs of both the Combined Authority and the West Yorkshire local authorities.
- 2.40 The WY+TF reserve was established to enable effective management of the borrowing costs of the WY+TF and to avoid the need for sudden increases in funding. The spend profile of the projects has shifted since the contributions were agreed, enabling some flexibility in the short term to support the general reserves as set out whilst noting that there is still a considerable commitment to meet borrowing costs in coming years as part of the City Deal agreement. **Table 2** below provides a summary of the reserve position.

Reserves - Table 2

	Balance as at 31/3/19 £	2019/20 Additions £	2019/20 Rebate £	2019/20 Applied £	Balance as at 31/3/20 £	2020/21 Additions £	2020/21 Rebate £	2020/21 Applied £	Balance as at 31/3/21 £
General Reserves	(4,217,277)				(4,217,277)				(4,217,277)
WY+ TF	(30,627,026)	(6,176,598)	2,166,000	1,198,646	(33,438,978)	(6,176,598)	2,166,000	0	(37,449,576)
Total	(34,844,303)	(6,176,598)	2,166,000	1,198,646	(37,656,255)	(6,176,598)	2,166,000	0	(41,666,853)

Notes

1. The rebates in 2019/20 and 2020/21 from the WY + TF are the agreed amounts for the WY districts (£2m) and York (£0.166m).
2. The 'Applied' against WY+TF Reserves in 2019/20 & 2020/21 is the proposed Revenue budget deficit for each year (subject to CA approval in Feb 2019).

Transport levy

- 2.41 The Combined Authority is required to set the transport levy annually and in accordance with the regulations meaning that the levy must be set by 15 February in the year preceding that to which the levy applies.
- 2.42 Adjustments have been made to the levy for a number of years to enable an equitable distribution of funding that has been paid to local authorities when formerly it was paid directly to the Combined Authority (and the former West Yorkshire Integrated Transport Authority). This includes for example concessionary fares funding that was paid to the partner authorities on a different formula basis than population. These adjustments were agreed with them and ensure that they each 'passported' through to the Combined Authority any relevant direct funding received. The mechanism involves setting a gross levy and providing a rebate to each local authority in the year to compensate for any over-recovery. In order to ensure consistency in respective levy payments these agreements have been presumed to continue for 2019/20.
- 2.43 **Table 3** below sets out the net and gross levy by population, in accordance with the regulations, showing the effect of the decrease of £1m and the change in the population base which this year is relatively insignificant.

	Relevant Population June'17 for 2019/20	Net 2018/19 £000	Gross 2019/20 £000	% of levy By District %	Refund 2019/20 £000	Net 2019/20 £000	Rebate (£2m) 2019/20 £
Bradford	534,800	23,448,690	24,108,520	23.18%	928,249	23,180,271	468,759
Calderdale	209,454	8,980,742	9,442,083	9.08%	582,523	8,859,560	179,161
Kirklees	437,145	18,407,122	19,706,281	18.95%	1,528,687	18,177,594	367,593
Leeds	784,846	33,755,755	35,380,471	34.02%	1,946,435	33,434,036	676,114
Wakefield	340,790	15,308,279	15,362,645	14.77%	113,517	15,249,127	308,373
	2,307,035	99,900,587	104,000,000	100.00%	5,099,411	98,900,588	2,000,000

- 2.44 Also included in **Table 3** is the proposed part rebate of previously received contributions towards the Transport Fund reserve. The proposal is to rebate £2 million for the next two financial years whilst the requirement for borrowing against the capital programme is building up.

- 2.45 In accordance with the regulations District Councils will be notified of the transport levy by mid-February and will make payments to the WYCA in ten monthly instalments from 1 April 2018.

Capital strategy

- 2.46 One of the outcomes of the recent review by the Chartered Institute of Public Finance and Accountancy (CIPFA) of the Treasury Management Code of Practice and the Prudential Code requires authorities to have in place a capital strategy. This should set out the long term context in which capital expenditure and investment decisions are made, giving due regard to both risk and reward and impact on the achievement of priority outcomes. This capital strategy should form a part of an authority's integrated revenue, capital and balance sheet planning.
- 2.47 An initial strategy is in development and it is proposed this is considered in more detail by the Governance and Audit Committee and brought to a future meeting of the Combined Authority for approval. The following section on the capital programme considers the capital plans in more detail.

Capital programme

- 2.48 The following paragraphs set out the capital funding available to the Combined Authority for 2019/20 and subsequent years and the indicative capital programme for which this funding will be used. It reflects the impact of the way in which the Department for Transport (DfT) provides capital funding, most notably the devolution of the major scheme funding and the topslice of Local Transport Plan Integrated Transport (LTP) block funding to the WY+TF element of the regional Growth Deals. It also sets out information regarding Growth Deal funding for the region awarded to the LEP, for which the Combined Authority is the accountable body. Whilst this provides significant sums for investment in interventions there are also requirements to ensure grant conditions are met, including an unwritten requirement to spend in year and this necessitates a review of funding and expenditure to ensure the most effective and efficient use of resources to ensure delivery of key priorities alongside maximising the funding available.
- 2.49 In previous years, following discussions with the Investment Committee, and considering the flexibility granted from Government, the Combined Authority endorsed the approach whereby at the year end the available funding was applied to appropriate capital schemes in a way to maximise the use of time limited funding and reduce the risk of funding being clawed back or reduced in future years. This enabled certain funding streams to be carried forward to this and subsequent years in order to optimise the delivery of the portfolio of approved projects. It is proposed that a similar approach is taken for 2018/19 and that this be kept under review as part of the year end closedown work.
- 2.50 **Table 4** below sets out the capital expenditure and funding estimates for the period 2018/19 to 2021/22.

Summary Capital Programme

Table 4

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Expenditure per programme				
Local Transport Plan	9,335	20,000	19,093	13,104
Highways Maintenance Plan	34,630	32,320	31,550	31,550
Major scheme Expenditure	1,905	6,971	712	119
Non LTP Funding (transport)	20,412	76,005	81,725	17,614
Growth Deal (WY+ TF)	84,878	121,603	159,275	200,696
Other economic growth funding	12,124	6,386	3,172	4,072
Total Expenditure	163,284	263,285	295,527	267,155
Financing				
LTP Grant	13,104	13,104	13,104	13,104
LTP Grant carry forward	9,116	12,885	5,989	
Highways Maintenance Plan	31,550	31,550	31,550	31,550
Non LTP Funding (Excluding Majors)	2,810	63,773	81,725	17,775
Growth Deal, Economy & WY+ TF	74,349	73,510	100,340	40,000
Other economic growth funding	11,458	6,826	3,024	1,306
Carry forward	107,494	75,933	18,873	18,725
Borrowing requirement	2,221	10,566	59,647	160,815
Total Funding Available	252,102	288,147	314,252	283,275

- 2.51 The most recent LTP settlement letter issued by the DfT (Roads Funding – Moving Britain Ahead in November 2018) confirmed the figures for 2018/19 and provided indicative allocations for 2019/20 with regards to the Integrated Transport Block and the Highways Maintenance Block (needs element). Though not yet confirmed, the 2019/20 budget includes best estimates for the Pothole Action Fund and Highways Maintenance Block (incentive element). The Combined Authority is determined by DfT to be the accountable body in West Yorkshire and funding will be allocated and paid to it.
- 2.52 The Highways Maintenance allocations and Pothole Action Fund are made in full to District Councils with the funding received by the Combined Authority paid over to the Districts via quarterly payments, as determined by the DfT’s formulaic allocation. Given this money is effectively simply passported through to the local authorities it is not required to be progressed through the assurance framework and it is proposed that approval is given via this report for the expenditure to be incurred via the usual quarterly payments. The values (though some indicative) are set out in **Table 5** It is proposed that the Director, Resources as s73 Officer, be authorised to approve revised payments should final confirmed sums by DfT differ from those indicative ones set out below.

Table 5

	Pothole Action Fund		Highways Maintenance Needs Based	Highways Maintenance Incentive	Integrated Transport Block
	2018/19 £m Confirmed	2019/20 £m Indicative	2019/20 £m Confirmed	2019/20 £m Indicative	2019/20 £m Confirmed
West Yorkshire	1.594	1.594	23.507	4.935	13.104
Bradford	0.305	0.305	4.971	1.043	-
Calderdale	0.198	0.198	3.171	0.666	-
Kirklees	0.323	0.323	4.921	1.033	-
Leeds	0.508	0.508	7.001	1.470	-
Wakefield	0.260	0.260	3.441	0.723	-

- 2.53 The capital programme includes the approved allocations for the 'Call for Projects' that were given indicative approval in February 2018 and were assessed as deliverable by 2021. Delivery in full of these projects would exceed the current funding available and the funding table therefore recognises a borrowing requirement in future years to fund the full programme.
- 2.54 Ongoing financial monitoring and planning will enable updates to be provided on the affordability of the programme and the appetite to support the required level of borrowing which is envisaged to be required. In accordance with the City Deal funding for schemes is partly through government grant but is also required to be supported through local contributions, which has previously been agreed as a levy supporting borrowing costs. The mismatch between the funding and expenditure will therefore be addressed through borrowing, and indicative figures are set out in **Table 4**. The release of funding through the Growth Deal to support the WY+TF from 2020/21 onwards is dependent on the outcome of regular independent reviews. These are expected to initially focus on expenditure against forecast with later reviews considering whether the stated aims and objectives have been achieved.
- 2.55 The release of funding to progress projects is subject to the Combined Authority's assurance process. The assurance process is updated annually to reflect latest government guidance and any changes within the LEP and Combined Authority. The Investment Committee will continue to be a key part of the process whereby Growth Deal and other projects are considered and recommended for progression from initial idea through to delivery / construction. Additionally, in December 2018 the Combined Authority agreed certain approval powers for the Investment Committee (subject to annual review). It is also proposed that the arrangement in place for 2018/19 whereby Transport Committee approve Integrated Block funded projects up to a value of £3m is continued for 2019/20, with reporting to the Combined Authority of such decisions, as with the Investment Committee.

Treasury management

- 2.56 The treasury management function is undertaken in conjunction with Leeds City Council under the terms of a service level agreement. The Combined Authority is required to prepare an annual prudential statement, setting out treasury activity in the year, the arrangements in place and details of the funding position. This is set out in full in **Appendix 4**.

Summary

- 2.57 Members are asked to consider the proposed budget and business plan for 2019/20 and accompanying recommendations.

3. Inclusive Growth Implications

- 3.1 Inclusive growth is one of the Combined Authority's corporate priorities. As such many of the activities funded by the proposed budget will support the

inclusive growth agenda. This is set out in more detail in the business plans included at **Appendix 1**.

4. Financial Implications

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

5. Legal Implications

5.1 The Combined Authority is required by the levying regulations to set the transport levy for 2019/20 by 15 February 2019.

5.2 It has not been possible to provide the statutory 28 days' notice of the key decisions being considered due to an administrative oversight. However, in accordance with the Combined Authority's Access to Information Annex to the Procedure Standing Orders part 1 section 7C – General Exception, the Chair of the Overview and Scrutiny Committee has been notified, notification has been published on the Authority's website and 5 clear days has elapsed following the day of publication of the notice. Accordingly, as set out in the General Exception, the Combined Authority may still make the decisions.

6. Staffing Implications

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

7. External Consultees

7.1 No external consultations have been undertaken. Information on the budget position has been shared with members of the public via the internet.

8. Recommendations

8.1 That approval be given to the Combined Authority revised budget / forecast for 2018/19 and the proposed budget for 2019/20.

8.2 That approval be given to the indicative capital programme for 2018/19 – 2021/22.

8.3 That approval be given to the 2019/20 business plan.

8.4 That the Transport Committee be delegated to approve individual schemes within the integrated transport block of the 2019/20 capital programme up to a maximum cost of £3m.

8.5 That in accordance with the powers contained in the Local Government Finance Act 1988 (as amended) and by virtue of article 9(6) of the West Yorkshire Combined Authority Order and the Transport Levying Bodies

Regulations 2015 (as amended) a levy of £104m be determined for the year ended 31 March 2020.

- 8.6 That the Director, Resources be authorised to issue the levy letter in respect of the financial year ending 31 March 2020 to the five District Councils in West Yorkshire.
- 8.7 That a payment of £5.09 million and of £2 million be made to the District Councils in accordance with Table 3 of the report.
- 8.8 That authorisation be given to the Director, Resources to arrange appropriate funding for all expenditure in 2018/19 and 2019/20 subject to statutory limitation, including the most appropriate application of capital funding as set out in the report.
- 8.9 That approval be made to the expenditure of highways maintenance funding of £28.442 million and the pothole action fund of £1.594 million, to be paid quarterly to the West Yorkshire local authorities in accordance with the DfT formula, and for Director, Resources to vary these amounts should DfT revise the payments from those provisionally indicated.
- 8.10 That approval be given to the continuing of the policy, effective from 2017/18, for recovering the Combined Authority costs of managing the capital programme against the capital programme spend being mainly Growth Deal, Leeds Public Transport Investment Programme and Local Transport Plan Integrated Transport. For 2019/20 the estimated total value is £7.8 million (2% - 3%).
- 8.11 That the adoption of the CIPFA Code of Practice for Treasury Management in Public Services be reaffirmed.
- 8.12 That the treasury management policy as set out in **Appendix 4** be approved.
- 8.13 That the prudential limits for the next three years as set out in **Appendix 4** be adopted.

9. Background Documents

- 9.1 None.

10. Appendices

Appendix 1 – 2019/20 business plan

Appendix 2 – 2018/19 revised forecast revenue budget

Appendix 3 – 2019/20 proposed revenue budget

Appendix 4 – Treasury management statement

Item 9 Appendix 1: Business Plan Summary

Introduction to the 2019/20 West Yorkshire Combined Authority Corporate Plan

This plan sets out what the Combined Authority, as an organisation, plans to achieve in 2019/20 to contribute to the overarching goals of the Leeds City Region Enterprise Partnership and the Combined Authority itself.

These overarching goals can be encapsulated into the following four elements:

1. Boosting productivity - developing a productive economy that recaptures the spirit of enterprise and innovation that first shaped our region
2. Delivering 21st Century Transport - building a modern, accessible transport network that supports prosperity, job creation and quality of life
3. Enabling inclusive growth - that works for everyone
4. Supporting clean growth - to enable sustainable development and help tackle poor air quality and climate change¹

The following sections set out what each of the organisation's five Directorates will accomplish towards these four goals above. The headline objectives under these goals are as follows:

Boosting productivity

- Deliver 250 projects with projected spend of £105 million over the year – with 16 projects completing on the ground;
- Continue delivering development projects for our Enterprise Zones
- Support 3,000 businesses to grow through measures including individual support and grants
- Attracting and supporting 30 new companies to invest in the city region, 15 beyond the core city. Work with 120 existing overseas-owned companies to help their expansion in the city region.
- Helping 1,000 individuals upskill in sectors of skill shortage.
- Produce a new 'Local Inclusive Industrial Strategy' for the LEP area;
- Review and extend the LEP's pioneering Productivity Pilot to more companies who are investing in technology to boost productivity

Delivering 21st Century transport

- Continue the delivery of 27 projects within the Connecting Leeds programme with spend of £60 million over the year.
- Deliver £60 million of transport infrastructure projects funded through the Transport Fund and commence a pipeline of projects funded through the Transforming Cities Fund.
- Continue to deliver innovation in the way people plan and pay for their travel through the Smart Ticketing programme.
- Deliver a new Alliance with bus operators to deliver better and affordable services for passengers;
- Ensure city region rail and road priorities are captured within the plans of Transport for the North, and influence rail operation as far as able.

¹ We are proposing this is a fourth objective if the Boards agree.

Enabling inclusive growth

- Complete projects to connect 5,277 properties to superfast broadband.
- 90% of business growth programme grant recipients contributing to inclusive growth outcomes
- Support 18,000 disadvantaged students to improve their career readiness
- Influence 1,000 businesses to engage with education, apprenticeships and sector skills initiatives, of which we expect 800 new businesses to offer apprenticeships
- Further embed social value requirements in the Combined Authority's procurement of projects and services

Enabling Clean growth

- Put in place a programme to help deliver zero carbon for the city region by 2036
- Complete projects to warm 750 homes.
- Continue the delivery of 7 flood prevention schemes.
- Deliver Travel Plan Network with a target of recruiting 96 new employer members committing to more sustainable travel for employees.
- Deliver Resource Efficiency Fund programme, supporting 88 businesses to reduce energy, water and waste.
- Adopt and embed a new Corporate Sustainability policy for the Combined Authority

Alongside this, we have an ambitious programme of internal transformation, that aims to deepen our level of partnership working, strengthen our monitoring and evaluation capabilities, overhaul and modernise our Information Technology systems, modernise our accommodation and working practices and continue to enhance our accountability and transparency to our stakeholders, especially users of our services and citizens of the city region.

Following the publication of the government's 'Strengthening LEPs' document, which seeks to maximise the success of the current LEP arrangements, the Leeds City Region LEP and York, North Yorkshire and East Riding LEP have proposed that their main constituents join together as one LEP from April 2020. If this merger proceeds then the outcome is a strengthened LEP that will build on the success of the current arrangements and increase the LEP's impact in driving economic growth. In 2019/20 there will therefore be an intensive period of activity in order to develop the detailed arrangements for the proposed merger.

Measuring our performance

The organisation has a set of overarching performance indicators and a range of performance information is reported regularly to the LEP and Combined Authority. Each Directorate also has a series of more detailed metrics to help assess performance against the business plan and overall corporate efficiency. These also form part of the business plans alongside headline financial and budget information.

[end]

Policy, Strategy and Communications: 2019/20 Draft Business Plan Summary**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. Leading thinking to deliver extraordinary economic growth, improved productivity, and world-class skills, including 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. Leading thinking on approaches to place making which transform residents’ lives through greater opportunity, and is community driven, visionary, and inclusive to create places which are dynamic and adaptable.
6. Leading thinking on and develop programmes of activity to deliver the city region’s zero carbon energy economy ambition by 2036;
7. 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;
8. 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;
9. Engaging with people, communities and businesses to ensure that our policies are shaped by local views and local evidence;
10. 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;
11. Delivering marketing projects and campaigns that directly support our aims and objectives and the services we offer.

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

12. 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;
13. A **Research and Intelligence team** led by a Head of Research and Intelligence, who support the whole organisation with research, analysis, data, intelligence, appraisal and evaluation;
14. 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 for the whole organisation 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 Team Priorities

2019/20 Strategy Priorities

Strengthen our local powers and secure finance to maintain and enhance the CA and LEP's investment in the region, by continuing to make the case for devolution, and successfully securing additional external funding to support delivery of our growth ambitions.

Development over the course of 2019/20 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)

Develop a performance and outcomes framework which aligns with the policy framework and enables us to track our progress towards our long term strategic aims.

Maximise the delivery of the current ESIF programme to 2020, by ensuring that we allocate the full sum of money to support our priorities.

Influence the future shape and size of the UK Shared Prosperity Fund, secure our proportionate share of it, and lead on its strategic implementation.

In collaboration with York and North Yorkshire LEP, **lead the creation of a new LEP covering West and North Yorkshire by March 2020**

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
Make progress towards providing a City Region narrative for culture and citizen experience and ensuring this is embedded across the strategic policy framework, adding value to local approaches and influencing future funding frameworks.
2019/20 Place priorities:
Support delivery of housing growth with partner districts, creating inclusive connected neighbourhoods for towns and cities of the future, developing a stronger strategic collaboration with Homes England to maximise both public and private investment to accelerate and bring forward additional new opportunities in order to build close to 13,000 homes a year; work across organisational boundaries to achieve housing growth which delivers the desired outcomes of connectivity, economic development, spreading prosperity across the city region.
Develop approaches to place making which capitalize on local community assets, puts people first, where quality of place is as important as quantum and where new housing offers a good choice in places where people choose to live which creates spaces that promote health, happiness and wellbeing.
Drive clean growth across the Combined Authority and City Region , including delivering the Energy Strategy and Delivery Plan, Green and Blue Infrastructure Strategy and Delivery Plan, Clean Growth audit and the development of a new corporate programme – in order to deliver the zero carbon energy economy ambition by 2036
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 and developing joint evidence.
To develop, and secure funding for, the next phase of full fibre infrastructure delivery to connect homes and businesses and support the future roll out of 5G mobile technology.
To develop an ambitious pipeline of Flood Risk Management schemes for the next 6 year funding period from 2021/22 , working collaboratively with partners including the Environment Agency, Yorkshire Regional Flood and Coastal Committee YRFCC and Yorkshire Water.
Deliver improvements to Place including through providing strategic input to local and regional strategies
2019/20 Transport priorities:
Development of an integrated 'City Region' Transport Network including the development of Inclusive Growth Corridor Plans, a pipeline of road schemes and mass transit proposals leading to the development of a LCR Connectivity Strategy in 2020 including working with the National Infrastructure Commission.
Develop an ambitious Transforming Cities Fund submission which is successful at securing investment, helps deliver our targets and indications and meets partners' expectations
Shape the development of national rail schemes (including High Speed Two, Northern Powerhouse Rail, Calder Valley improvements, Trans Pennine Route Upgrade, East Coast Mainline and capacity around Leeds Station)

Develop and establish a new WYCA rail plan and pipeline of schemes to support rail patronage growth and customer experience
Develop the policies within the WY Transport Strategy 2040 into action and evaluation plans 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.
Shape Transport for the North's strategy and investment programme to ensure it reflects the priorities of the Leeds City Region
Develop and test future mobility options including agree and implement a digital payment strategy, identifying risks, impacts and opportunities of Autonomous Vehicles and trialling demand responsive passenger services. Secure future funding.
Ensure WYCA's priorities for short term rail operations are delivered e.g. rail performance, maintenance and through franchise service changes are met.* (Accountability across Transport Services)
Develop Local Cycling and Walking Infrastructure principles, plans and pipeline.
Support an increase in bus patronage and customer satisfaction including a new West Yorkshire Bus Alliance, improving network legibility, ticketing and affordability, economy of the bus network, and highway infrastructure.
Deliver the Connecting Leeds programme , including developing outline business cases for the Rail package (including stations at White Rose, Leeds Bradford Airport and Thorpe Park; and the bus delivery package, including proposals for Real Time, new transport hubs, a digital hub, Demand Responsive Transport, and an outline business case for Leeds bus station.
Make progress towards delivery of the Leeds Integrated Station Masterplan (with Leeds City Council) by completing the Outline Business Case and developing a funding and financing strategy in partnership with other organisations such as DfT, Network Rail and LCC.
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, monitoring and assessing future passenger numbers, 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 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.
Communications and marketing priorities:
Establish a regional public affairs function & strategy – (Equivalent Agency Value EAV £1.5m) , with its first priority to develop and roll out a comprehensive strategic transport investment influencing programme – including NPR, TRU, NSB, Transforming Cities Fund – Mass Transit, HS2E, ECML, M62

<p>Establish a regionally coherent local place based narrative programme – (EAV £0.5m), co-ordinating across all Partners placed-based narratives that align to tackling the Productivity gap, delivering Inclusive Growth, [creating Clean Growth], helping to secure a 21st Century transport system and promoting the region as a place to live, work, play and invest.</p>
<p>Establish the region as a centre for people based Digital & Tech development – (EAV £0.35m), establishing the partnerships, narratives and building blocks in 2019 for a series of nationally recognised events and PR/PA activity necessary for the region to be termed the heart of digital Britain and of innovation in the UK.</p>
<p>Continue to market the services of and delivery of CA/LEPs’ initiatives and programmes (EAV £0.5m), including supporting Transport Services in transforming their service to a digital first approach and Economic Services in support to business in a coherent manner, a significant expansion of careers, and related skills services and Trade and Inward Investment.</p>
<p>Extension of full service digital engagement, marketing and communications function (EAV £0.5m) (NEW/BAU), delivering efficient and valued engagement channels, including to support economic and transport policy and strategy development, and the extension of the digital reach of the CA / LEP; and extending both the reach and following of CA / LEP social media channels and move to a digital first marketing philosophy enabling more efficient targeting and effectiveness of campaigns.</p>
<p>Create and extend strategic communications and external affairs function (EAV £0.5m), to continue to raise the profile of the region and the work of the CA / LEP regionally, nationally and internationally - promoting inclusive growth measures, innovative policy choices and the region as a whole.</p>
<p>Roll out of the agreed partnership programme in conjunction with above engagement activity (EAV £0.1m), enhancing organisational legitimacy across all local partners and stakeholders, take up of services from the public and regional coherence across all areas of society including the seldom heard.</p>
<p>Embed the organisation’s values, transform culture & enable transformation (EAV £0.1m), through recognised internal communications & through leadership, establishing the CA/LEP as a ‘communications organisation’: aware, intelligent and agile enough in philosophy, culture and ability to foresee, prepare for and address opportunities and challenges facing the organisation, our partners, our stakeholders and communities and the region as a whole.</p>
<p>Continue to provide a best in class consultation & engagement function (EAV £1m), extending involvement across consultation & engagement programmes to seldom heard individuals & groups.</p>
<p>Extend the commercialisation of the Communications Team with income generation of £150,000 in 2019/20.</p>

Policy, Strategy and Communication budget summary: DRAFT		£
2019/20 Revenue Budget	Net revenue requirement	4,709,315
	Gross revenue expenditure	6,693,986
	Direct cost contribution Income:	
	Admin recovery (staff secondments)	(261,000)
	Capital recovery	(1,373,671)
	Other 3 rd party income	(350,000)

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POLICY, STRATEGY AND COMMUNICATIONS DRAFT KPIs 2019-20

	Proposed Indicator	Target / Deliverable	Measure Frequency	Notes	Productivity	Inclusive Growth	21st C transport	Clean Growth	Corporate
115 Strategy	Development of the City Region Strategy (replacement SEP). To include near completion of the Local Inclusive Industrial Strategy	Milestones End March 2020 with interim production of City Region Strategy elements	Quarterly review of progress.						
	Development of a funding framework	Milestones A framework that prioritises how we bid for opportunities that align with objectives with a review of local funding options completed.	Quarterly review of progress.						
	Amount of external funding secured since April 2018	Tracker – total amount secured	Quarterly	Not a target but an indicator – to avoid perverse incentives					
	No. of bids submitted and how many we win	Tracker – count number of bids and percentage successful	Quarterly	Not a target but an indicator – to avoid perverse incentives					
	Proportion of European Structural and Investment Funds allocated	100%	Quarterly	Highly dependent on applicants and securing match funding					

	Proposed Indicator	Target / Deliverable	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Strategy	Number of proactive responses to relevant consultations/reviews to influence Government policy.	As prioritised by DMT, to include at least: <ul style="list-style-type: none"> • Spending Review • Low Pay Commission consultation 	Quarterly	To be prioritised by DMT, following input and discussion with Panels, Lead Chief Executives, etc.					
Business, Workforce & Productivity	Number of policy ‘playbooks’ completed to stage 5 of the policy cycle, resulting in a preferred option to address the City Region’s objectives.	Eight across business and workforce issues	Quarterly	To be prioritised by DMT, following input and discussion with Panels, Lead Chief Executives, etc.					
Place	Number of consultation responses on Local Plans and Strategic Planning Applications that supports the spatial priorities set out in the SEP	Tracker - Count	Annual						
	Number of planning applications commented on to maximise funding opportunities and improvements for sustainable transport, inclusive growth and productivity	Tracker - Rolling Average (currently 21 per month)	Annual	<i>NB – we may change this KPI to one based on Section 106 money attained</i> Count of the number of planning applications responded to.					

	Proposed Indicator	Target / Deliverable	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
117	Energy & Sustainability	Commence detailed feasibility work on the new Energy Strategy and Delivery Plan.	Commence detailed feasibility work on 10 projects within the new Energy Strategy and Delivery Plan by April 2020	Quarterly					
		Secure a regional dedicated resource to commence delivery of the new Green and blue infrastructure strategy and delivery plan.	Secured a regional dedicated resource to commence delivery of the new Green and blue infrastructure strategy and delivery plan by Summer 2019.	Quarterly					
		Develops a corporate policy and approach to carbon reduction and environmental issues.	Developed a Corporate programme by April 2020	Quarterly					
	Digital Infrastructure	Secured funding and development of the Superfast West Yorkshire and York (SWYY) Broadband Programme	DEFRA and ESIF funding secured; SWYY Phase Three to FBC – May/June 2019	Quarterly					
		Secured funding and development of a West Yorkshire full fibre infrastructure programme	External funding secured; West Yorkshire Full Fibre Programme to DP2 (Expression of Interest/Case Paper)	Annual	Scope of programme to be confirmed, subject to future engagement with DCMS Social Finance and/or DCMS Local Full Fibre Networks				

	Proposed Indicator	Target / Deliverable	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
118 Flood Risk Management	Delivery of Leeds City Region Flood Review Recommendations	Increase in number of completed recommendations from 3 to 5	Annual	Two new recommendations to complete: <ul style="list-style-type: none"> • Sustainable Urban Drainage Systems guidance updates • Updated economic modelling for measuring the indirect impacts of flooding 					
	Securing additional funding and pipeline development of Flood Risk Management schemes (post 2021/22)	Additional external funding secured; Development of pipeline of FRM schemes with partners.	Annual	Policy and strategy working with partners (EA and council) to identify schemes that support our objectives, influence their prioritisation and seek additional funding to close funding gaps.					

	Proposed Indicator	Target	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Transport	Bus Alliance agreed	Alliance agreed	Annual	Quarterly review of progress.					
	Develop future mobility policy including our approach to mobility as a service and an agreed an action plan.	Plan agreed	Annual	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. [by 2 nd Quarter 2019/2020]	Milestones/ Annual	Quarterly review of progress. In partnership with Leeds					
	Transforming Cities Fund submission	c.£250m-£300m	Annual	Draft July 2019, Final autumn 2019					
	Develop Local Cycling and Walking Infrastructure plans	First phase of plans (as agreed by Transport Committee on 11 th January) completed	Annual	Should be completed in Q1. Might be relevant to add further phases but funding dependant and want to learn from first phase first before deciding on what next.					
	Development of an LCR Connectivity Strategy	Date for completion in 2020	Annual	Milestones for 2019/2020 to be agreed with NIC and members					

	Proposed Indicator	Target	Measure Frequency	Notes	Productivity	Inclusive Growth	21st C transport	Clean Growth	Corporate
120 Research & Intelligence	Produce a robust evidence base and evaluation method for the Local Inclusive Industrial Strategy, and have this agreed with government	Summer 2019 and then building	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.					
	Develop a data platform and structured self-service repository for economic, transport and demographic intelligence products.	Milestones Delivered in 2019-20	Annual						
	Produce, sign-off and implement headline strategies to ensure consistent/effective approach to research & intelligence particularly a Research Strategy and a Location Intelligence Strategy.	Milestones Delivered in 2019-20	Annual						
	Deliver key intelligence products: <ul style="list-style-type: none"> ○ LCR annual Business Survey ○ Quarterly Economic Survey ○ Annual Tracker Survey ○ Household survey ○ Annual labour market report 	Milestones Delivered in 2019-20	Annual						

Proposed Indicator	Target	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Research & Intelligence 121	Develop and implement an Evaluation Strategy, promoting an organisation-wide approach to collating and managing project evaluation. Establish a single managed dataset to capture all project evaluation activity.	Milestones Delivered in 2019-20	Annual					
	Establish an effective intelligence and information sharing network with district partners, building on the Leeds City Region Research Group	Milestones Delivered in 2019-20	Annual					

		Proposed Indicator	Target	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
122	Comms & Marketing	Advertising value equivalent	£4.5million p.a.	Annual / Quarterly review	based around 5 regional stories a week and 1 national stories a week					
		Social media reach	Double reach	Annual	Social media reach – those that measurably engage with CA/LEP					
		Followers increase	200%	Quarterly	Followers increase on each of our channels					
		Income streams developed	£150k	Annual	To be reinvested into digital, engagement, external affairs tools					
		Directorate satisfaction score	Establish baseline 1 st qtr	Quarterly	To be developed but based around snap surveys and WIP					
		Return on investment on marketing campaigns	Use GCS framework per campaign – setting baseline and monitoring per campaign	Per campaign	Government Communications Service					

Delivery: 2019/20 Draft Business Plan Summary

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 enhance growth and the creation of jobs, including developing low carbon schemes, funding 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, tackling fuel poverty by delivering warm homes and alternative heating schemes, all of which promote the inclusive growth agenda. 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 provision, championing sustainable transport schemes through successive cycling and walking programmes, facilitating new and improved highways infrastructure schemes to unlock key housing and employment sites, developing Enterprise Zones and improving the connections between homes and centres of employment. We are further developing smart card technology and mobile applications 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;
- Corporate Services 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.

There are increasing pressures on skilled resources to deliver an increasing and expanding portfolio, with further planned expansions of projects and programmes. This includes

<p>schemes such as Enterprise Zones, new rail stations, the future Growing Places Fund/ business loans programme and expansion into commercial areas, and potential support to the Shared Prosperity Fund. 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. We are also supporting the merger of the LEP.</p>
<p>Overview Pan-Directorate</p>
<p>Oversee the successful delivery of 250 projects through direct delivery and partnership working</p>
<p>Successful outcome of the 2019 Growth Deal Review (Transport Fund)</p>
<p>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:</p> <ul style="list-style-type: none"> • Growth Deal funding including Transport Fund (target spend of £105 million in 19/20 and £516 million in total by March 2021); <ul style="list-style-type: none"> • Leeds Public Transport Investment Fund, known as Connecting Leeds funding (target spend of £60m original target in 19/20 and £173.5 million by March 2021); • Other programme funding (Ultra Low Emission Vehicles, CityConnect, Local Transport Plan Integrated Transport Block and National Productivity Investment Fund, Broadband, Warm Homes, Growing Places Fund, Corporate Projects).
<p>Continue to build and strengthen relationships with partner Councils and external sponsors.</p>
<p>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</p>
<p>Embed measurable changes following the outcome of the 2018 Employee Survey</p>
<p>Proactively manage and maximise business rate potential, capture and investment as part of the Enterprise Zone programme</p>
<p>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. new Growing Places Fund, Transforming Cities Fund, Future Mobility programme, potential support to Shared Prosperity Fund)</p>
<p>Completing the smart ticketing and technology programme (SCIP), making it easier for bus and rail users when paying for their journeys</p>
<p>New strategy, team and processes for Growing Places Fund reinvestment, initiated and embedded</p>
<p>Deliver the early phases of the Corporate Technology Strategy in conjunction with ICT, the Transformation Team and Delivery Partner.</p>
<p>Head Office Accommodation - refurbishment commenced and flexible ways of working policy initiated.</p>

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
Early review and implementation of improved staffing structures to reflect existing and future pipeline of project activity, including strengthening internal team and accessing existing / procuring (as necessary) technical frameworks for technical expertise (e.g. rail, commercial)
Providing case officer support to the Feasibility & Assurance team to support the robust assessment of schemes progressing through the Assurance Framework

2019/20 Implementation Team priorities
Transport Projects - direct delivery of transport projects as below:
<p>Rail Park and Ride Programme, Phase 1:</p> <p>Extension to rail station car parks to increase capacity and access to rail - 14 sites in total.</p> <p>4 schemes to commence construction works in 2019/20, subject to approvals (to Activity 6):</p> <ul style="list-style-type: none"> • Garforth • Steeton & Silsen • Shipley • Moorthorpe <p>Providing approximately 350 additional spaces</p>
Rail Park and Ride Programme Phase 2 (to Activity 3)
Castleford Rail Station Gateway - project completion (to Activity 6)
<p>New rail stations at Elland, Leeds Bradford International Airport (LBA), White Rose and Thorpe Park</p> <p>Approvals secured for taking forward the next steps</p> <p>(At Activity 3 OBC working to Activity 4 – FBC for all 4 stations)</p>
<p>ULEV taxi charging point infrastructure (West Yorkshire)</p> <p>Target 88 No. installations in place / funding committed by March 2020</p>

2019/20 Implementation Team priorities
Transport Projects - direct delivery of transport projects as below:
Project completion (to Activity 7)
New Station Street, Leeds project completion (to Activity 7)
<p>Rail Accessibility programme - Connecting Leeds</p> <p>To facilitate step free access, from the station entry point, through to the platform edge, at Cross Gates, Horsforth and Morley (Morley subject to Transpennine Route Upgrade discussions) rail stations.</p> <p>(At Activity 3 OBC working to Activity 4 FBC)</p>
<p>Real Time - Connecting Leeds</p> <p>Phase 1 - 490 4-line LED real time information displays at bus shelters in Leeds with no current provision - completed.</p> <p>Phase 2 - 510 pole mounted real time information displays along main bus corridors in Leeds – procurement in year.</p> <p>Phase 3 - 10 totems with static information and integrated real time information displays at main transport hubs – may transfer to Leeds for delivery.</p> <p>(Activity 6 – Delivery for Phase 1) Programme to be delivered 19/20 and 20/21</p>
<p>New Pudsey rail station Park & Ride - Connecting Leeds</p> <p>(At Activity 3 OBC working to Activity 4 FBC)</p>
<p>Halifax bus station</p> <p>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</p> <p>(At Activity 3 OBC working to Activity 4 FBC)</p>
<p>Smartcard Implementation Programme</p> <p>Programme completion with CHASE residential MCards online process in place & Smart Transactions and Information (Aug 19)</p> <p>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 (to Activity 6)</p>
<p>Wellington House Accommodation Project</p> <p>Refurbishment starts on site 19/20 (to Activity 6)</p>
<p>Corporate Technology Strategy including the following projects:</p> <ul style="list-style-type: none"> • Service Management Capability • Accessible Technology Charter • Data Centre and Cloud Strategy • Active Directory

2019/20 Implementation Team priorities
Transport Projects - direct delivery of transport projects as below:
<ul style="list-style-type: none"> • Network Infrastructure • Windows Server Upgrades • Data Platform • 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 <p>(to Activity 6) Programme to be delivered 19/20 and 20/21</p>
<p>Bus Hubs (Connecting Leeds)</p> <p>Initiate delivery phases - awaiting scope definition from Policy (to Activity 2)</p>
Transport Partnerships - supporting partner delivery of transport projects as below:
<p><u>Summary of projects to Activity 2:</u></p> <p>No. WY+TF/Connecting Leeds Projects approved at Decision Point 2 (EOI) (1)</p> <p><u>Calderdale</u></p> <p>1. A641 Corridor EOI</p>
<p><u>Summary of projects to Activity 3:</u></p> <p>No. WY+TF/Connecting Leeds Projects approved at Decision Point 3 (OBC) (3)</p> <p><u>Calderdale</u></p> <p>1. A629 Phase 4 OBC</p> <p>2. Halifax Station Gateway OBC</p> <p><u>Kirklees</u></p> <p>3. A629 Halifax Road Phase 5</p>
<p><u>Summary of projects to Activity 4:</u></p> <p>No. WY+TF/Connecting Leeds Projects approved at Decision Point 4 (FBC) (5)</p> <p><u>Calderdale</u></p> <p>1. A629 Phase 1b</p> <p>2. Elland Station & Access Package</p> <p><u>Kirklees</u></p> <p>3. A62 Cooper Bridge</p>

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

Leeds

4. City Centre Gateways (LPTIP) – various

York

5. York Outer Ring Road Ph4

Summary of projects to Activity 4:

City Connect Phase 3

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

1. Cooper Bridge

Summary of projects to Activity 5:

No. WY+TF/Connecting Leeds Projects approved at Decision Point 5 (FBC+) **(7)**

Calderdale

1. A629 Phase 2

Leeds

2. West Yorkshire Integrated UTMC Element C
3. Bus priority corridors (LPTIP) – various

Wakefield

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

York

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

Corridor Improvement Programme:

6. A62 Smart Corridor
7. Huddersfield Southern Gateway

Summary of projects 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
- Dewsbury Road
- Elland Rd and

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

Summary of projects to Activity 6:

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

Calderdale

1. Calderdale A629 Ph2

West Yorkshire wide

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

Summary of projects to Activity 7:

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

1. YORR ph2

Summary of projects 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

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

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); (to Activity 6)

- Projects in development to continue benefit utilisation of the framework
- Benchmarking of prices exercise to complete

Flood Alleviation Programme

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

Warm Homes Round 1

- Complete the programme May 2019 (to Activity 7)

Tackling Fuel Poverty Programme completion and close down (to Activity 7)

Leeds City Region Enterprise Zone programme, accelerated delivery for Phase 2

Skills Capital & Innovation Programme:

- Completion of Leeds City College (Quarry Hill/Park Lane Project) (to Activity 7)
- Working towards the completion of Kirklees College Pioneer House building (Dewsbury Learning Quarter Project) (to Activity 6)
- Huddersfield Innovation & Incubation Project complete (to Activity 7)

Energy Accelerator Programme (to 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.

Economic Regeneration - supporting partner delivery of projects as below:
<ul style="list-style-type: none"> • FBC+ Dewsbury Riverside (to Activity 5) • FBC+ Bradford Heritage Buildings (to Activity 5-6) • FBC Bradford Heritage Buildings ph2 (to Activity 4) • FBC+ Northgate House (to Activity 5) • FBC+ Halifax Living (to Activity 5) • FBC+ Wakefield City Centre Gateway (to Activity 5) • Bradford Odeon (to Activity 6) • Leeds Brownfield (to Activity 6) • FBC+ One City Park (to Activity 5) • Barnsley Glassworks (to Activity 6) • Kirklees Housing (to Activity 6) • Halifax Beech Hill (to Activity 6)
<p>Growing Places Fund</p> <p>Priority 1-continue daily management of existing loans to best protect Combined Authority Investment</p> <p>Priority 2- Launch new GPF fund</p>
<p>High Speed Rail Institute</p> <p>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.</p> <p>Following RIBA 4 technical sign off, FBC+ (to Activity 5) submissions for:</p> <ul style="list-style-type: none"> • Land and infrastructure costs Aug 19 • Ph1 Infrastructure Testing Facility Dec 19 • Phase 2 Vehicle Testing Facility March 20
<p>Broadband Contract 2 Deployment ongoing (to Activity 6)</p>
<p>Broadband Contract 3 – subject to funding bid (to Activity 6)</p>

2019/20 Feasibility & Assurance priorities
<p>Achieving a successful Growth Deal 2019 outcome</p> <ul style="list-style-type: none"> • Liaison with consultants and supply of monitoring data • Influencing the review at Government level • Input to final report, due December 2019
<p>Assurance Framework:</p> <ul style="list-style-type: none"> • 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
<p>Monitoring & Evaluation:</p> <ul style="list-style-type: none"> • Development/support of Evaluation Plans • Strengthened approach to Benefits Realisation • Update to Assurance Framework to reflect revised approach

2019/20 Feasibility & Assurance priorities
<p>Business Case reviews:</p> <ul style="list-style-type: none"> • Formalise role with policy in respect of pre-EoI 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
<p>Define and introduce categorisation of schemes by risk level across the portfolio and undertake deep dives</p>
<p>Respond to and lead on future Calls for Projects and Business Rates Pool etc.</p>

2019/20 Portfolio Management Office priorities
<p>Continuous review of the assurance process including ensuring transparency and incorporation of inclusive growth, green strategy etc.</p> <ul style="list-style-type: none"> • Develop, review and embed templates and guidance documentation:
<p>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</p> <ul style="list-style-type: none"> • Service and manage PAT: <ul style="list-style-type: none"> • 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
<p>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</p> <ul style="list-style-type: none"> • Develop, review and embed controls and guidance documentation:
<p>Fully embed PIMS reporting system with 'one version of the truth' and clear and concise monitoring and reporting to our partners and leaders.</p> <ul style="list-style-type: none"> • Reporting from PIMS to IC, CA, LEP Board • Management of PIMS – data collection and input • Check and challenge of PIMS data

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Delivery Directorate budget summary: DRAFT		£
	Net revenue requirement 2019/20	(174,236)
2019/20 Revenue Budget	Gross revenue expenditure 2019/20	4,453,134
	Capital recovery	(4,627,370)

DRAFT

DELIVERY DRAFT KPI's

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
134 Implementation	Delivery of a programme of significant transport & corporate projects by end of March 2019	9 No at DP3 (Outline Business Case, OBC) 8 No at DP5 (Full Business case plus costs, FBC+) 6 Complete	Quarterly	Phase 2 Rail park & ride is dependent on 3 rd party land holdings New rail stations are subject to interface projects incl. Transpennine Route Upgrade & S2					
	Support partners to deliver significant transport projects by March 2019	3 No at DP3 (OBC) 11 No at DP5 (FBC) 10 complete	Quarterly	All projects subject to staying within scope, cost & time tolerances					
	Support partners to deliver significant economic regeneration projects by March 2019	5 No at DP3 (OBC) 10 No at DP5 (FBC+) 6 complete	Quarterly	Flood schemes subject to securing all match funding					
	Improving homes through the Better Homes and Warm Homes programmes	750 homes	Quarterly	Subject to funding bids (Warm Homes) and confirmation that existing Better Homes Framework can be utilised					

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
135	Implementation	Better Homes: % of contract value delivered by City Region supply chain	80%	Quarterly					
		Flood Alleviation: number of businesses with reduced flood risk	70	Quarterly	Programme cumulative target to end 19/20: 620				
		Leeds District Heat: switch on achieved (commercial)	Q3	Quarterly	Subject to signing of contractual agreements				
		Business rate generation through progression of the Enterprise Zones programme	£1.958m	Quarterly	Site by site business case progression subject to 3 rd party owners & due diligence inc. review of potential state aid implications				
		Supporting digital inclusion through the provision of broadband infrastructure in urban and rural communities	5,277 THP contractual target for contract 2	Quarterly	THP = Total Homes Passed (i.e. at superfast speed & ready for service). Ongoing challenges in contract 2 Openreach maintaining delivery of superfast targets - impacted on ERDF drawdown. Contract 3 targets subject to successful funding bids & procurement outcome.				

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
136	Implementation	Launch the new Growing Places Fund utilising returned investment	Qtr 2	Quarterly	External support will need to be procured to support this process and establishment of a new support team				
		Developing smart card technology, making it easier for bus and rail users when paying for their journeys	Programme completion Qtr3 % total sales via MCard app to be greater than 15%	Quarterly Quarterly					

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
PMO 137	Review of the assurance process	Revised and approved March 2019	Annually	Assurance framework needs to mirror any amendments to the assurance framework which is reviewed yearly for approval in February Awaiting Government guidance before this can begin LEP review will also influence this					
	Schemes reviewed at PAT at: DP2 (Entry into Programme) DP5 (Full Business case with costs)	To determine based on forecasts	Quarterly	Reviewed means appraised, not recommendation for approval. Non approval or further work required may be the outcome					
	PIMS updated with all schemes within funding programmes CA is responsible for	March 2019	Quarterly	PMO responsible for approximately 50% of data, but partners and project managers are responsible for the remainder and therefore success is dependent on partners and project managers					

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
PMO 138	Portfolio reporting format for our partners and leaders agreed and implemented for all funding programmes CA is responsible for	March 2019	Quarterly	PMO responsible for reporting formats for CA reporting requirements, but partner input and agreement is required for their reporting requirements					
	Cost for administering programmes for Combined Authority wider than Delivery	March 2019	Annual	Target has yet to be established – benchmarking required to gauge Value for Money					
Feasibility & Assurance	Successful Growth Deal Review Outcome by December 2019	Pass	One-off	Government review which will influence future Growth Deal funding to the Combined Authority					
	Incorporate LEP Review guidance into updated Assurance Framework	Sign-off by 31 March 2019	One-off	Currently awaiting Government guidance to be issued					
	Review of submitted business cases and change requests to meet Programme Appraisal Team timescales	100%	Annual	Approximately 150 submissions annually made to the Combined Authority for review prior to seeking approval.					

Economic Services: 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:

- 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.

We will also work with our colleagues in the York & North Yorkshire LEP to prepare for the proposed LEP merger in 2020, by reviewing our respective service offers and aiming to develop the 'best of both' in line with the new LEP's emerging industrial strategy and policy priorities.

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, including North Yorkshire, 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, in partnership with Policy colleagues, 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 1,700 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, helping 350 businesses with overseas trade
- 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, to forge at least 50 active contacts.

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.

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

Economic Services budget summary: DRAFT		£
2019/20 Revenue Budget	Net revenue requirement 2019/20	915,242
	Gross revenue expenditure	12,501,057
	Direct cost contribution Income: Government grants and awards	(10,695,903)
	Capital recovery	(490,936)
	Other 3 rd party income	(398,976)

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ECONOMIC SERVICES DRAFT KPI's:

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Business Support 144	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.					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Business Support 145	Business supported to produce and implement strategic growth plans.	100	Monthly	Proportionate increase as funding only in place for 10 months of 19/20.					
	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 422 members.	96	Monthly	20% increase on 18/19 dependent on successful funding application / CA funding.					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Business Support 146	Larger employers supported to deliver shared travel plans.	10	Monthly	New measure in development for a 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).	85%	Annual	10 percentage point increase on 18/19 and to be measured via annual impact analysis.					
	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 & Skills	Deliver an enhanced model of employability, enterprise & careers education to disadvantaged students.	18,000	Monthly	6,000 increase per year.					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Employment & Skills 147	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.						

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Trade & Investment 148	Total New Enquiries Generated.	100	monthly	Maintained from 18/19 as stretch on actual enquiries.					
	a.) of which no. of non-Core City Inward Investment enquiries generated	50	monthly	A new target linked to the objective to stimulate inward investment in the wider Leeds City Region.					
	b.) of which no. generated through Investor development activity	30	monthly	Reflecting the contribution of the new KAM team activity with indigenous FDI firms.					
	Total Projects to Leeds City Region (Successes)	30	monthly	Refers to 'involved' successes. Reduced in line with refocus of priorities and in a climate where national FDI has reduced by 40%.					
	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	Reflecting the contribution of the new KAM team activity with indigenous FDI firms.					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Trade & Investment 149	Number of companies that will be actively account managed through investor development activity.	120	monthly	Reflecting the contribution of the new KAM team activity with indigenous FDI firms.					
	New Jobs Created (Successes).	1700	monthly	Increased by 200 as stretch on 18/19 albeit challenging in a climate where national FDI has reduced by 40%.					
	Jobs Safeguarded (Successes).	500	monthly	In likelihood of safeguarding priority post-Brexit.					
	Private Sector Investment Leveraged	£50,000,000	monthly	Increased to reflect total leverage of investments. Refers to the total value of 'involved projects' landed - see KPI above.					
	No. of active contacts developed in new and emerging markets (including China and India).	50	monthly	Reflecting the shift in priorities for targeting emerging markets.					
	Number of businesses assisted with overseas trade initiatives.	350	monthly	Increased priority in response to Brexit opportunities.					

Transport Services: 2019/20 Draft Business Plan Summary

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

Support for Mobility

Supporting mobility through the following core activities and priorities:

Core Activity

- 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

Priorities for 2019/20

- 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 to 85% satisfied in line with the average for conurbations

Reducing the cost of Travel

Reducing the cost of travel through the following core activities and priorities

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

Delivering the following core activities and priorities relating to 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

Delivering the following core activities and priorities relating to 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

Delivering the following core activities and priorities relating to 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%

Assets and Facilities

Delivering the following core activities and priorities relating to assets and facilities

Core Activity

- 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 and office services of the Combined Authority's office buildings.
- Landlord services for operational and non-operational properties

Priorities for 2019/20

- Develop an Asset Management strategy which maximises the commercial potential of the Combined Authority's portfolio
- Support the Wellington House refurbishment project

Key Targets for 2019/20

- 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

Transport Services budget summary: DRAFT		£
2019/20 Revenue Budget	Net revenue requirement	80,165,969
	Gross revenue expenditure	96,796,100
	Direct cost contribution Income:	
	Bus Services Operator Grant	(2,063,592)
	Education contribution to transport	(6,768,000)
	Bus station tenant income	(1,583,085)
	Bus station/services income	(2,848,798)
Admin recovery (staff secondments)	(1,921,736)	
Capital recovery	(375,000)	
Other 3 rd party income	(1,069,920)	

TRANSPORT SERVICES DRAFT KPI's

		Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Supporting Mobility	155	Bus Patronage West Yorkshire and Leeds Strategic Targets	+25%in 10 years (2028) Leeds +50% in	Annual	Monitored and reported through WY Bus Strategy and Connecting Leeds					
		Customer Satisfaction With Bus Services	To be set in bus alliance framework	Annual	Monitored through Transport Focus national survey					
		Budget Savings Target	£15.8 million 2020/21 spend	Monthly	Three year plan to reduce by 20%					
		Subsidy per passenger trip	£1.25 by 2020/21	Quarterly						
		Delivery against contract renewal and MyBus replacement programme	Completed yes/no	Quarterly						
		Cost per mile of supported local bus service contracts	£1.94 per mile	Quarterly	Measure of cost effective procurement					
		Mileage on supported local bus service contracts	8 million	Quarterly	Measure may be adapted to reflect innovation to service delivery					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Supporting Mobility 156	AccessBus patronage	400,000 trips per annum	Monthly						
	AccessBus cost per passenger trip	£7.00	Monthly						
	Education subsidy per passenger trip	↓ to decrease	Quarterly	Metrics to be set in 19/20 on adoption of new policy					
	Education contribution per statutory child from District Councils	↓ to decrease	Quarterly	Trend monitoring in conjunction with Councils					
	Cost per mile SEN contracts Wakefield	£1.85	Monthly						
	Number of managed events and road closures dealt with	Volume monitoring	Monthly	Demand determined by external parties					
	Personalised Transport SEND – ‘New Transport Requests’	Action within 5 working days							
	Quality Compliance Officers – to monitor each schools gross contract	Completed yes/no	Yearly						

		Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Supporting Mobility	157	Submit defect reports within 48 hours of inspection to operators	Completed yes/no							
		Applications for free travel in Leeds	processed within 15 working days	Total number and % within timescales to be						
		Applications for free travel in Bradford	Processed within 30 school days	Total number and % within timescales to be						
		Request for reviews of decisions to refuse free travel in Leeds	Processed within 20 Working days	Total number and % within timescales to be						
		Applications for 'in year' Priority PhotoCards	Processed within 5 working days	Monthly						
		Number of calls offered to Education Centre	Seasonally adjusted target	Monthly						
		Percentage of calls answered	95%	Monthly						

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
158	Reducing Cost of Travel	ENCTS pass usage	41 million per annum	Quarterly	Monitored as part of smart transactions monitoring				
		Young people's bus usage	↑ to increase	Quarterly	Data assembly and target setting in progress				
		Cost to produce each ENCTS pass	↓ to decrease	Quarterly	Data assembly and target setting in progress				
		Concessionary Cost per journey	↓ to decrease	Annual	Data assembly and target setting in progress				
		Average length of time to process ENCTS passes	↓ to decrease	Quarterly	Data assembly and target setting in progress				
Multi Modal Ticketing		Cost of CA support to MCard in comparison to income	To be self funding in 19/20	Quarterly					
		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	Completed yes/no	Monthly	Indicators and targets in SLA				

		Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Multi Modal Ticketing	159	Unique MCards in use / journeys per day, week, year	6,500 per week	Quarterly						
		Product split self serve v traditional outlet	To increase self serve	Monthly	Detailed set of data per retail channel					
		Product purchase by day of week	Management information	Quarterly	Detailed set of data per retail channel					
		Single operator / multi operator ratio (U19 product)	Management information	Quarterly	Detailed set of data per retail channel					
		Unique cards in use / journeys per day, week, year (perhaps included in Reducing cost of travel	Management information	Quarterly	Detailed set of data per retail channel					
		Estimated % Public subsidy of Operator Revenue	TBA	Quarterly	To be developed as part of Bus Alliance					
		Estimated % MCards of Operator Revenue	TBA	Quarterly	To be developed as part of Bus Alliance					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Travel Centres 160	Cost of operation vs income	To be cost neutral by 20/21	Quarterly						
	Ticket Machine Transactions	8000	Monthly	To inform travel centre plans going forward, should see more ticket machine sales against travel centres over time.					
	Volumes of customer transactions - Information - MCard/third party sales	2,000 18,000	Monthly	Could include national holiday and mega bus sales					
	Mystery Shopping to maintain quality of Travel centre service	85% plus	Monthly						
Travel Information	% of information enquiries on line	95%	Monthly						
	Metroline contact volumes Voice call Webchat Email/ correspondence	25,000 2000 600	Monthly						

		Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Assets & Facilities	161	Proportion of asset management costs met by income	55%	Quarterly						
		Net bus station operating costs per bus departure	£0.61	Annual						
		Number of people using our bus stations	TBA	Annual	Assembling from current footfall calculations					
		Net cost per person using our bus stations	TBA	Annual	Assembling from current footfall calculations					
		Average annual maintenance cost per on street asset (bus stop/ shelter)	£124	Annual						
		Revenue running costs - £/m2 (per bus station/office) Energy usage and/or costs and rating (prop per m2, per property) Commercial portfolio cost and income / m2	TBA		Benchmarks and targets will be developed as part of the Asset Development Plan possibly utilising CIPFA property indicators to enable benchmarking					

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	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Assets & Facilities	Number of defaults against contractual key performance indicators – against 4 contracts (JPB/FCS/BSL/ECG)	Management Information							
Transport Services General 62	Number of items of customer feedback about Combined Authority services	200	Monthly	Includes complaints, issues and compliments					
	Proportion of items of customer feedback responded to within 10 days	100%	Monthly						

Corporate Services: 2019/20 Draft Business Plan Summary

CORPORATE SERVICES VISION

Enabling the right solution

In 2019 the Corporate Services 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 modernised and more integrated, with all Corporate Services teams working together to ensure a unified offer to the organisation. Internal strategies and policies will embed the principles of inclusive growth and clean 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 Corporate Services Directorate Overview

In 2019/20 the Corporate Services 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 Corporate Services 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 corporate services that shifts from transactional to strategic support.
- Designing and implementing new arrangements across all teams to support a LEP with revised geography
- Enable the organisation to become "Digital First" through the Corporate Technology Programme, this will improve employee efficiency, productivity and modernise ways of working.
- Embed Inclusive Growth principles across Corporate Services 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
- 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
- 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 – verifying and processing payments to the value of approximately £15 million per month
- Debtor management – processing approximately 120 per month (approximately £1m)
- Payroll – managing payroll system for over 500 staff and Members' allowances for 30 councillors.
- Grant administration
- VAT administration/claims – claiming on average £200k - £300k per month.
- Financial reporting and advice

Additional Finance 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 Corporate Planning and Performance service transformation activities:

- Programme management and support for the corporate transformation programme
- 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
- Central Management of approximately 4 framework agreements and advising on a further 8 strategic contracts.

- Contract management activities
- Spend analytics and reporting

Additional procurement 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 (supporting approximately 133 Members and 89 external-facing committee and panel meetings per annum)
- 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
- Overseeing the transparency and publication requirements for the Authority are effectively maintained

Additional Governance 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
- The outcome of a review of scrutiny arrangements may lead to the introduction of new scrutiny processes and systems
- 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 – advising on approx. 500 contracts per annum
- 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) – including responding to approx. 90-100 Freedom of Information (FOI) inquiries each year
- Information Governance/Data Protection: providing advice and support in relation to the Authority's legal obligations in respect of data protection/GDPR and freedom of information/environmental regulation requests incorporating the statutory role of Data Protection Officer
- Governance: providing advice and support in relation to decision-making arrangements
- Devolution proposals – provide the lead legal advisor role across the West Yorkshire districts

Additional Legal service transformation activities:

- Leading a number of significant work streams as part of the creation of a new LEP with an increased geography
- Utilise the intranet to improve the efficiency of Legal & Governance Services 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
- Internal Governance – embed improved decision making processes for officers and corporate structures, monitor their effectiveness and roll out a further phase

2019/20 Human Resources Team Priorities

Ongoing HR and Health and Safety support and strategic advice services for all 500+ employees and managers including:

- Policy development and advice
- Recruitment and contract administration
- HR System maintenance
- Supporting directorates in day to day staffing issues
- Learning and development activities
- Welfare support
- Absence management
- Health and safety advice
- Embed year 1 of the 5 Year Health and Safety strategy & implement year 2

Additional HR 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 the Combined Authority

2019/20 Internal Audit Team Priorities

Provision of Internal Audit services:

- Providing independent assurance to and for the organisation
- Delivering the annual audit plan of 32 individual audit assignments per annum
- 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 Internal Audit 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 – with approximately 500 incidents raised per month
- Infrastructure support
- Hardware management
- Business systems management
- Cyber security services
- Software management and development – with 100 applications and online services supported
- Telematics – real time information system

Additional ICT service transformation activities:

- Delivering the Corporate Technology Programme including projects such as:
 - New end user hardware to support flexible working and support the organisation's transformational goals
 - Modern software solutions to improve access to data, digitise manual processes and increase efficiency
 - Systems to connect big data for reporting and business intelligence
 - Cyber security & PSN (Public Services Network) compliance
 - Enhanced disaster recovery & business continuity processes
 - Website harmonisation to improve user experience and reduce overhead resource

Corporate Services budget summary: DRAFT		£
2019/20 Revenue Budget	Net revenue requirement	3,739,712
	Gross revenue expenditure	5,402,686
	Direct cost contribution Income:	
	Capital recovery	(1,150,564)
	Recovery from other directorates for direct support	(512,410)

DRAFT CORPORATE SERVICES KPI's

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21st C transport	Clean Growth	Corporate
General	% of internal customers 'satisfied/very satisfied' with the overall service they receive from Corporate Services Teams	90%	Bi-annually	Internal staff snapshot survey					
Finance 169	Paying undisputed invoices within 30 days	100%	Quarterly	Consideration being given to specific target for SME/VCS					
	Achieving a balanced financial outturn.	100%	Monthly	Regular reports to CA and quarterly to G and A Committee					
	Achieving statutory compliance on financial matters.	100%	Monthly	VAT, HMRC, Pension, Annual Accounts, govt returns etc.					
	Debt recovery – 100% recovered and / or debtor invoices issued on time (100%)	100%	Monthly						
	Payroll - paying staff accurately	<1% error rate	Monthly						
	Implement plan for delivery of replacement/updated financial system (including budgets/ HR / payroll)	By end Q1	EOI produced						
	Embedding the new Finance OD:Improved financial info to Directorates and cost savings/income generation	Monitor							

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Finance	Finance Process improvements (though linked to System and new OD): <ul style="list-style-type: none"> Process improvements – efficiencies re payroll, invoices processed/paid, debt recovered (cashable/ non cashable). 	Monitor	Yr on yr increase in productivity	Increased volumes of work with same resources					
Procurement 170	No. of successful legal challenges on procurement	0	No. of Challenges						
	Procurement savings as a % of addressable spend	5%	£ saved against budget						
	Procurement return on investment.	5 times cost of the team.	£ saved compared to cost team.						
	Project Delivery - ensuring delivery of the pipeline of projects	40 projects	No of project completed.						
	Timeliness of delivery	100% of projects complete on time	RAG status at point of delivery against agreed project plan.	Measure only applies to issues under the control of procurement. Business delays will not be taken into account.					

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Procurement	Procurement strategies will include incorporation of social value for all procurement over £25k	100%	No of procurement strategies	All procurements must have procurement strategy complete.					
HR 171	Headcount by organisation and by directorate	Monitor	Annually	Establish baseline and set longer term target					
	Average absence (as % of workforce) Organisation wide, by Directorate	2%	Monthly	average for public sector currently 2.6%					
	Cost of absence Organisation wide, by directorate	Monitor		Establish baseline and seek achieve year on year reduction					
	Increase in women in management roles	Monitor	Annually	Establish baseline and set longer term target					
	Increase of BAME across organisation	Monitor	Annually	Establish baseline and set longer term target and actions					
	Delivery of People Strategy	End of Q3	Strategy published						
	Development of new grading structure	Dec 2019	Agreed structure in place						
	Launch of and training in application of new policies	Tranche 1 by end Q1	Policies published	Policies to be updated in line with requirements of people strategy					
	Increase in number of apprentices	12	Quarterly	Or to ensure the apprenticeship levy is utilised					

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
172 HR	Number of training days per employee	Monitor	Annually	Establish baseline and set longer term target					
	Turnover of staff	Monitor	Quarterly	Establish baseline and set longer term target					
	No of internal transfers as a percentage of the workforce	Monitor	Quarterly	Establish baseline and set longer term target					
	No of successful recruitment exercises undertaken	Monitor	Quarterly	Establish baseline					
	Time taken to recruit to vacant posts	100%	Quarterly	To be agreed with each client at outset					
	Length of time to issue offer letters	Monitor	Quarterly	Establish baseline and set target					
	Length of time to issue contracts of employment	Monitor	Quarterly	Establish baseline and set target					
ICT	% Real-Time, Yournextbus: Vehicles Being Tracked	78%	Quarterly						
	% Core Network Up Time	99%	Monthly						
	% Microsoft Cloud availability	99%	Quarterly						
	% Business critical systems availability	98%	Quarterly						

		Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
ICT 173										
		No. Service Desk open tickets	100 or less	Monthly						
		% Website (external and internal) availability	98%	Quarterly						
		Delivery of Corporate Technology Programme against agreed plan with a specific focus on: <ul style="list-style-type: none"> - A01 - Service Management Capability - B03 – Active Directory Re-Design - B04 – Network Infrastructure - C01 – Cyber-Security and PSN Compliance - C02 – ICT Disaster Recovery and Business Continuity - D02 – End User Devices - D04 – SharePoint Online and Office 365 	June 2019 April 2019 May 2019 Nov 2019 Nov 2019 May 2019 May 2019		The programme as a whole will be reported on via its overall RAG status through ICT Management Board					

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Internal Audit	Provide an independent opinion on the effectiveness of the Combined Authority's control, risk management and governance arrangements	100% of audit programme achieved	Quarterly	Opinion provided annually, evidence gathered via audit programme so provides proxy measurement on achievement					
	Improve delivery of IA services.	80% positive response	Quarterly	Via audit questionnaires					
Legal & Governance 19/4	Meeting FOI/EIR deadlines	100%	Quarterly						
	Compliance with statutory requirements re committee agenda publication	100%	Quarterly						
	Toolkits for self-service across a minimum of 2 legal areas to be produced	2 toolkits	Quarterly						
	Information governance improvements/GDPR compliance	100% actions achieved on time	Monthly	Monitored against GDPR action plan, reported to Regulatory and Compliance Board					
	Timeliness of delivery re contracts/advice	Per agreements	Quarterly	To be agreed with each client					
	Compliance with governance elements of assurance framework: LCR LEP Merged LEP	100% actions achieved on time	Quarterly	As per plans agreed by the LEP Transition Board					

West Yorkshire Combined Authority - Summary

75%

Title	Budget	December 2018		RAG	2018/19 Forecast £
	2018/19 £	Actual £	%		
Expenditure					
Salary & Pay Related Costs	20,919,698	14,082,419	67.3%	Reflects above average staff vacancies during the year	18,823,400
Indirect Employee Related Costs	556,450	566,800	101.9%	Overspend attributable to recruitment costs to vacant posts - see above	556,350
Premises Related Costs	6,184,194	4,570,503	73.9%	Spending in line with expectations - rents, rates paid in advance	6,414,684
Travel, Transport & Subsistence Related Costs	112,984	85,888	76.0%	Spending in line with expectations	123,402
Member Related Costs	153,168	106,249	69.4%	Spending in line with expectations	221,168
Office Supplies & Services	540,050	448,492	83.0%	Spending in line with expectations - spend profile not even during the year.	657,452
ICT & Telephony Costs	2,342,778	1,678,918	71.7%	Spending in line with expectations - ICT & telephony charges paid in advance	2,274,960
Professional & Consultancy Fees	2,296,718	1,583,285	68.9%	Spending in line with expectations	2,521,223
Corporate Subscriptions	39,398	25,750	65.4%	Spending in line with expectations - corporate memberships paid in advance	19,783
Marketing & PR Costs	1,315,079	804,254	61.2%	Spending in line with expectations - significant proportion of costs recovered	1,427,776
Insurance	279,400	305,402	109.3%	Small overspend due to impact of previous year claims history	302,400
Operator Payments (Transport)	27,397,250	21,605,517	78.9%	Spending slightly ahead of expectations - plans in place to address before year end	26,557,978
Pre Paid Ticket Cost	31,500,000	23,800,978	75.6%	Cost matched by income (see below) ##	32,500,000
Concessions	56,270,200	41,682,731	74.1%	Spending in line with expectations	55,445,118
Additional Pension Costs	2,245,800	1,916,054	85.3%	Spending in line with expectations - impact of one annual payment £1.3m	2,204,800
Financing Charges	5,670,000	1,545,056	27.2%	Spending in line with expectations - charges accrued at the year end	4,930,000
Grants	3,893,861	400,286	10.3%	Low spend below expectations - due to timing of payments	921,101
Other Miscellaneous Costs	514,958	326,874	63.5%	Spending in line with expectations	1,465,252
Contribution to External / Related Parties	277,606	81,885	29.5%	Spending in line with expectations - further spend expected in quarter three	283,379
Additional Savings Target	(1,455,000)	0	0.0%	Staff budget saving target - to offset against savings in salary budget above.	0
Contingency	200,000	0	0.0%	Pay award - to add to salary / pay budget	0
Total Expenditure	161,254,592	115,617,338	71.7%		157,650,226
Income					
Rail Admin Grant	(918,000)	(612,308)	66.7%	Received in arrears - forecast is £878k due to reduction	(878,000)
LEP General Funding Income	(1,234,000)	(500,113)	40.5%	Received in arrears and towards year end	(1,234,000)
Growing Places Fund Interest	(200,000)	(206,266)	103.1%	Received in arrears	(380,000)
Enterprise Zone Receipts	(1,968,000)	(15,867)	0.8%	Received in arrears - currently at year end	(1,618,849)
Transport Levy	(94,198,000)	(84,778,586)	90.0%	10 instalments - nine received to date	(94,198,000)
Bus Service Operator Grant (BSOG)	(1,942,000)	(2,063,592)	106.3%	Received in full at the start of the year	(2,063,592)
Education Contribution to Transport	(6,768,000)	(3,116,176)	46.0%	Received in arrears	(6,768,000)
Bus Station Tenant Income	(1,472,464)	(1,195,847)	81.2%	Some receipts in advance / others in arrears. Overall on budget.	(1,487,236)
Bus Station / Services - Other Income	(2,866,121)	(1,659,458)	57.9%	Received in arrears	(2,876,477)
Admin Recharges	(5,349,498)	(4,028,743)	75.3%	Received in arrears	(2,225,629)
Capitalisation of Revenue Costs	(3,381,887)	(1,911,634)	56.5%	Received in arrears	(4,110,405)
Pre Paid Ticket Income	(31,819,412)	(23,880,704)	75.1%	Income matches expenditure (see above) ##	(32,500,000)
Other Income	(7,684,973)	(3,066,096)	39.9%	Received in arrears - being reviewed with budget holders.	(6,307,020)
Total Income	(159,802,355)	(127,035,389)	79.5%		(156,647,200)
Net Expenditure	1,452,237	(11,418,051)	-786.2%		1,003,016

Agenda Item 9
Appendix 2

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West Yorkshire Combined Authority - Summary 2019/20 Budget

Expenditure	Delivery £	Economic Services £	Policy, Strategy & Comms £	Corporate Services £	Corporate (other) £	Transport Services £	Total £	2020/21 Total £
Salary & Pay Related Costs	4,198,684	3,569,702	5,694,884	3,372,823	529,184	6,209,343	23,574,620	24,194,453
Indirect Employee Related Costs	450	3,500		385,000			388,950	377,950
Premises Related Costs						6,238,026	6,238,026	5,981,606
Travel, Transport & Subsistence Related Costs	3,500	27,172	20,000	6,500	14,000	40,490	111,662	94,062
Member Related Costs					220,000	1,168	221,168	221,168
Office Supplies & Services				54,800		455,950	510,750	541,750
ICT & Telephony Costs	50,000		58,971	1,413,094		1,092,067	2,614,132	2,457,591
Professional & Consultancy Fees	200,000	1,169,240	839,000	158,600	66,610	380,100	2,813,550	1,758,611
Marketing & PR Costs		1,307,255	525,500			244,891	2,077,646	1,136,355
Insurance					304,900		304,900	304,900
Operator Payments (Transport)						25,601,325	25,601,325	24,655,336
Concessions						56,446,802	56,446,802	55,777,810
Additional Pension Costs					2,301,600		2,301,600	2,281,600
Financing Charges					5,465,000		5,465,000	5,570,000
Grants		2,653,708					2,653,708	1,862,564
Third Party Delivery		3,770,479					3,770,479	3,480,526
Miscellaneous Costs	500		2,250	2,400	305,500	82,424	393,074	93,074
Contribution to External / Related Parties				9,468	311,761	3,515	324,744	323,951
Staff Vacancy Savings Target			(446,619)		(600,000)		(1,046,619)	(1,049,989)
Total gross revenue expenditure	4,453,134	12,501,057	6,693,986	5,402,686	8,918,555	96,796,100	134,765,517	130,063,318
Direct cost contribution								
Govt grants and awards		(10,695,903)					(10,695,903)	(5,532,881)
Bus services operator grant						(2,063,592)	(2,063,592)	(2,063,592)
Education Contribution to Transport						(6,768,000)	(6,768,000)	(6,768,000)
Bus Station - Tenant Income						(1,583,085)	(1,583,085)	(1,574,566)
Bus Station / Services Income (PPT, Depart Chgs)						(2,848,798)	(2,848,798)	(2,881,604)
Admin Recovery (Staff Secondments)			(261,000)			(2,144,536)	(2,405,536)	(2,383,536)
Capital recovery	(4,627,370)	(490,936)	(1,373,671)	(1,150,564)		(152,200)	(7,794,741)	(8,037,314)
Other third party income		(398,976)	(350,000)		(20,000)	(1,069,920)	(1,838,896)	(1,672,896)
Net revenue requirement	(174,236)	915,241	4,709,315	4,252,122	8,898,555	80,165,969	98,766,966	99,148,929
Funding available								
Rail Income							(878,000)	(439,000)
LEP General Funding Income							(1,234,000)	(1,234,000)
Growing Places Fund Interest							(300,000)	(200,000)
Enterprise Zone Receipts							(1,958,320)	(2,126,054)
Transport Levy							(93,198,000)	(92,198,000)
Net Expenditure Total							1,198,646	2,951,875

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

1,198,646

0

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PRUDENTIAL FUNDING STATEMENT

- 1 This statement has been prepared in accordance with the CIPFA Code of Practice 'Treasury Management in Local Authorities' which is re-adopted each year by Members of the Authority. The statement and its implementation is currently reviewed and updated twice annually, in the final accounts and budget reports.

- 2 The Local Government Act 2003 and Local Authorities (Capital Finance and Accounting) Regulations 2003 set out the system of capital finance to be followed by all local authorities from 2004. This appendix is intended to take account of the requirements of the regulations and to set them in the context of the Treasury Management Code of Practice.

- 3 This report assumes further borrowing may be required in 2019/20, increasing in subsequent years. The borrowing is required to support the delivery of the full West Yorkshire plus Transport Fund, to support internal capital projects and to support projects within the Growth Deal programme that may be delivered after 2021 when funding ceases. Estimates of the likely funding required are set out in the capital annex and further work is underway to ensure there is a full robust programme of delivery for all schemes that will enable the borrowing requirements for future years to be fully understood. In the short term new borrowing requirements are likely to be reduced by the use of cash and available reserves.

Treasury management activity – borrowing and investments

	£m
Total Loans outstanding at 1/4/2018	
Fixed Term / Fixed (incl LOBOs)	75.0
Activity expected during 2018/19:	
Loan repayments	0.0
Net movement in temporary loans	0.0
New borrowing	0.0
Anticipated loans outstanding at 31/3/2019:	75.0
 Activity expected during 2019/20	
New borrowing	0.0
Borrowing Repaid	0.0
Anticipated loans outstanding at 31/3/2020:	75.0
 Total Investments	
Investments at 1/4/2018	133.0
Net of new Investment / repaid in year	20.0
Anticipated Investments placed at 31/3/2019	153.0

- 4 The current financial year has seen generally a continuation of the overall economic situation. Interest rates have remained low, although bank base rate did rise in August 2018 from 0.50% to 0.75%. Opportunities both to refinance loans and to place money on the market at competitive rates remain limited.

- 5 Leeds City Council undertakes the monitoring of the financial markets on behalf of the Combined Authority. The agreed policy is to seek to minimise the rates at which the Combined Authority borrows and to continue to refinance any longer term loans if rates appear advantageous.
- 6 No such opportunities have arisen so far in 2018/19. The Combined Authority has a loan portfolio with competitive rates and the economic climate has been such that there have been no suitable opportunities identified for refinancing.
- 7 The business planning and budget report sets out the estimated requirement for borrowing to supplement the capital grants received. The calculations in the annex demonstrate how this works through the capital financing requirement and set out the financing costs which are then included within the revenue budget.
- 8 Since April 2015 when the Combined Authority became the accountable body for the Leeds City Region Enterprise Partnership (LEP) cash balances have been high as a result of the Growth Deal funding paid in large instalments at the start of each financial year. Over the past three years the limits and counterparties have been kept under regular review to ensure the sums available for investment are able to be placed appropriately. The Combined Authority has continued to utilise call arrangements in place with Svenska and Leeds City Council rather than leave money overnight with in our main Natwest account whose rate is lower at 0.30%. For longer term deposits the selected counterparties are constantly monitored and meet the strict eligibility criteria stipulated under Leeds City Council's investment policy which has been adopted by the Combined Authority. This approach will continue during 2019/20 with an expectation that the Combined Authority will continue to have cash balances to invest due to the advance payment of capital and other grant funding. Within the existing policy the Combined Authority can also invest in money market funds and this opportunity may also be taken to enable effective management of what is expected to be further significant cash advances 2019/20 of Growth Deal and other potential funding initiatives.
- 9 The general level of borrowing and investments is handled efficiently by Leeds City Council and has produced a situation where the Combined Authority has, in relative terms, very low borrowing costs. Regular meetings are held with the Leeds City Council staff who undertake treasury work for the Combined Authority under the terms of a signed service level agreement, and these meetings ensure a satisfactory level of control and monitoring is achieved. These meetings also consider the overall treasury management strategy and ensure that the policies in place continue to be appropriate to ensure that the Combined Authority's funds are managed in the most effective and secure way.
- 10 The Combined Authority has strict rules on investment criteria which are set out in paragraphs 11 to 13 for consideration and re-approval. These are set so as to minimise the risk to the Combined Authority's funds but does also mean that interest earned on deposits is lower than it could be. It is therefore in the Combined Authority's interest to seek to utilise any cash balances to reduce the costs of long term borrowing and this policy will continue to be

pursued if possible. The increase to the Public Works Loan Board (PWLB) rates, initially announced in October 2010, reduced the opportunities to repay long term debt without incurring extra cost. The PWLB rates were later improved through the introduction of a certainty rate reduction but discount rates have not changed and it is these rates that are used to determine premiums and discounts on loan repayments. The Combined Authority would incur significant premiums by repaying borrowing but will review this situation as and when interest rates start to rise.

Treasury Management Activity – Investments Criteria

- 11 In general it is intended there should be no long term investments by the Combined Authority with any surplus cash being invested short term up to a maximum term of one year. The level of future investments will fluctuate on a short-term basis due to cash flow requirements but will be maintained as low as possible. Any investments undertaken by the Combined Authority follow the guidance of the Ministry for Housing, Communities and Local Government ((MHCLG) having regard to the concept of security, liquidity and then yield with emphasis being placed on the “return of funds” rather than the “return on funds”.
- 12 It is proposed that the existing policy of utilising the expertise of the Treasury Management Team in Leeds City Council be reaffirmed for 2019/20.
- 13 The Combined Authority has a number of rules in place for short term investments/borrowing, as set out below and that these should continue to be applied, with changes highlighted in bold below:-
 - a. The Chief Financial Officer shall determine the amounts and periods.
 - b. The procedural document as approved for their Treasury Management Division by Leeds City Council shall be adopted in relation to the Combined Authority’s short-term investments encompassing the Council’s list of approved financial organisations and the maximum lending limits per organisation, as specified in that document from time to time.
 - c. No investment will be for a period exceeding 12 months other than with other local authorities and then only for a period not exceeding 36 months. The limits for each of the next three years are that for investments for a period greater than 364 days, that no more than £20m will mature in each of 2019/20, 2020/21 and 2021/22.
 - d. Investments with Leeds City Council will not exceed £15m, the interest rate for such deposits being agreed between the Chief Financial Officers of both organisations.
 - e. Investments with any one counterparty should not exceed £15m other than in c above.

- f Investments with the Combined Authority's bankers are specifically excluded from the limits set out, in recognition of the fluidity of such arrangements.
- 14 The proposals above would provide the flexibility for the Combined Authority to invest its surplus funds which, as they are expected to continue to increase, will become increasingly difficult to place on the market. The proposals are deemed low risk and are in accordance with the criteria applied by Leeds City Council to its treasury arrangements.

PRUDENTIAL FUNDING ARRANGEMENTS

- 15 The principal purpose of the prudential system is to allow authorities as much financial freedom as possible whilst requiring them to act prudently. There will be no government borrowing approvals issued but restrictions are imposed through the CIPFA Prudential Code which requires every authority to set prudential indicators and limits and thus be satisfied that it can afford the results of its borrowing. These limits, which must not be exceeded, have to be formally agreed by the authority before the start of each financial year. The government has retained the power to, if it so wishes, limit the level of borrowing incurred by authorities.
- 16 The Code requires full capital and revenue plans to be prepared for at least three years forward in order to assess the financial effects of the planned capital investment. In this Authority the three year financial strategy is considered by Members on a regular basis and to ensure a level of affordability it is currently the policy that borrowing to meet capital expenditure will be limited to proposed levels. Restricting borrowing in this way ensures that all debt charges are covered by the Combined Authority through its levy on the Districts.
- 17 The capital programme is considered in detail earlier in this report. It should be noted that in accordance with the above, overall capital expenditure will be met firstly by grants and other resources leaving the balance to be met by borrowing or through charges to revenue.
- 18 There are significant levels of grant provided to the Combined Authority under the Integrated Transport block (LTP), Leeds Public Transport Investment Programme (LPTIP) and Growth Deal for the next few years. Recognising the demands upon infrastructure investment it is proposed that other alternative methods of financing during the year remain under consideration as and when appropriate. As an example leasing might be used for the acquisition of vehicles. The financial viability and value for money of such methods will require investigation and savings found within the budget to accommodate the costs involved. Members will be asked to approve any such methods before they are implemented.
- 19 Discussions were concluded, following approval to do so in 2016, with the European Investment Bank (EIB) regarding the provision of an option whereby it could provide a flexible financing offer to support the West Yorkshire Plus Transport Fund. Many of the schemes in the Fund meet the

EIB funding criteria and this provides an attractive alternative to the traditional PWLB lending. A final contract has now been entered into for a five year borrowing facility. The UK's decision to withdraw from the European Union does not preclude this arrangement taking place.

- 20 It is not proposed at this stage that the Combined Authority enter into any credit arrangements as defined by the regulations, other than as described above. If and when these are to be progressed then it should be recognised that they would be classified as borrowing and would need to be recognised in the operational boundary and authorised limit approval. Should any such arrangements be required these will be expected to be funded within the approved strategy.
- 21 When Leeds City Council and the Combined Authority last reviewed the borrowing limits in the light of market rates they determined that they would allow the limit to be set at a level sufficient for the current year plus the equivalent of two years anticipated borrowing requirement which is derived from the capital allocations. This was intended to provide flexibility for fund management allowing borrowing to take place when rates are low rather than being tied into strictly annual borrowing.
- 22 The Annex initially creates limits set at the required level of borrowing for 2018/19 and 2019/20. To provide more flexibility in managing the funding operation it was previously agreed that approval be given to borrow to cover loan requirements for the current plus the following 2 years. In view of the change to the LTP allocation from borrowing to grants this is now irrelevant and will only be applied if any new major schemes are approved. Such approval will therefore be sought at that time.
- 23 The attached Annex shows the calculation of the following prudential indicators:
- a. The ratio of debt charges to overall expenditure. This is not significant to the Combined Authority as it is effectively controlled through the level of the levy (as referred to above).
 - b. Setting the borrowing requirement for the year (similar to total loans outstanding) but called 'the operational boundary'.
 - c. Setting the maximum borrowing permitted in the year defined as 'the authorised limit'. This is £20m higher than the operational boundary to create flexibility to allow temporary additional borrowing (for example to cover abnormal or exceptional cashflow movements).
 - d. Setting the maturity loan structure which is defined as 'amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate' as well as the draft capital programme. These are set out in the Annex.
- 24 The Prudential Code requires Members to have an approved Treasury Management Policy (this is set out above) and to agree limits for variable and fixed rate loans. It is recommended that the maximum limit for variable rate

loans continues to be set at 40% and the limit for fixed rate loans remains at 200%. This reflects the current position that arises from the increase in cash balances and investments resulting from an increase in advance grant funding.

- 25 The Prudential Code for capital has been updated as at December 2018 and is to be implemented from 2019/20 financial year. In summary it re-emphasises that local authorities must ensure that all of its capital and investment plans and borrowing are prudent and sustainable. In doing so it will take into account its arrangements for the repayment of debt and consideration of risk and the impact, and potential impact, on the authority's overall fiscal sustainability. While indicators for sustainability are required to be set over a minimum three year rolling period, indicators should be set in line with a capital strategy and asset management plan that is sustainable over the longer term.
- 26 Determining a formal capital strategy for the authority is a new requirement in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The strategy, in a high level view, sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The capital strategy should form a part of the authority's revenue, capital and balance sheet planning.
- 27 A draft capital strategy is in preparation, with the final version to be in place from April 2019.

West Yorkshire Combined Authority**Capital Financing Annex****Summary Capital Programme**

	2018/19	2019/20	2020/21	2021/22
Expenditure per programme	£000	£000	£000	£000
Local Transport Plan	9,335	20,000	19,093	13,104
Highways Maintenance Plan	34,630	32,320	31,550	31,550
Major scheme Expenditure	1,905	6,971	712	119
Non LTP Funding (transport)	20,412	76,005	81,725	17,614
Growth Deal	84,878	121,603	159,275	200,696
Other economic growth funding	12,124	6,386	3,172	4,072
	163,284	263,285	295,527	267,155
Financing				
LTP Grant	13,104	13,104	13,104	13,104
LTP Grant carry forward	9,116	12,885	5,989	
Highways Maintenance Plan	31,550	31,550	31,550	31,550
Major scheme Expenditure				
Non LTP Funding (Excluding Majors)	2,810	63,773	81,725	17,775
Growth Deal & Economy	74,349	73,510	100,340	40,000
Other economic growth funding	11,458	6,826	3,024	1,306
Carry forward	107,494	75,933	18,873	18,725
Borrowing requirement	2,221	10,566	59,647	160,815
Total Funding Available	252,102	288,147	314,252	283,275

Calculation of Prudential Indicators:

	2018/19	2019/20	2020/21	2021/22
AFFORDABILITY	£000	£000	£000	£000
Ratio of financing costs to net revenue stream				
Debt Charges	4,897	4,358	4,863	9,258
Levy	99,901	98,901	97,901	96,901
(Assumes continuing levy freeze)				
Resultant ratio:	4.9%	4.4%	5.0%	9.6%

Notes: All additional debt charges should be covered by Levy

PRUDENCE

Net external borrowing does not exceed the total of capital financing requirement in previous year plus the estimate of any additional financing requirement for the current and later years.

	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000
Loans outstanding at 1 April	76,500	75,500	75,000	295,462
Estimate of Capital Financing Requirement (CFR)	78,092	77,189	84,667	140,927
Additional borrowing requirement in year	2,221	10,566	59,647	160,815
Less debt repayments in year	-3,124	-3,295	-3,387	-5,637
Estimate of (CFR) 31 March	77,189	84,667	140,927	296,105
Calculated Operational Boundary	80,313	87,755	144,314	301,742
Safety factor	20,000	20,000	20,000	20,000
Forecast Authorised Limit	100,313	107,755	164,314	321,742

Maturity of Loan Structure	Minimum	Maximum	Authority	Projected 31/03/2019	
Loans up to 1 year	0%	30%	0	0%	
Loans between 12 and 24 months	0%	20%	0	0%	
Loans between 24 months and 5yrs	0%	50%	0	0%	
Loans between 5 and 10 years	0%	75%	0	0%	
Loans between 10 and 20 years			0	0%	
Loans between 20 and 30 years			0	0%	
Loans between 30 and 40 years	25%	100%	50,000,000	67%	100%
Loans between 40 and 50 years			15,000,000	20%	
Loans 50 years +			10,000,000	13%	
			75,000,000	100%	



Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: Devolution

Director: Alan Reiss, Director of Policy Strategy and Communications

Author: James Flanagan

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

1 Purpose of this report

- 1.1 To provide an update on progress towards securing devolution to Leeds City Region.

2 Information

Background

- 2.1 West Yorkshire Combined Authority's Corporate Plan for 2018/19 sets out an aim of securing the powers and resources needed to put its ambitions into action and to maintain investment in our region. In order to achieve this, officers will continue to support political leaders' case for an ambitious devolution deal for our region which seeks to draw down significant powers and funding from Whitehall.
- 2.2 Yorkshire Leaders agreed in March 2018 - under the banner of "One Yorkshire" - to submit their devolution deal proposition to Government and [publish it more widely \(including on West Yorkshire Combined Authority's website\)](#), in the interests of transparency.

- 2.3 The One Yorkshire proposal includes control of a £125m p.a. investment fund – which would equate to an allocation of up to £3.75 billion over 30 years - to be invested in driving growth across the rural, urban and coastal areas of the region. This would be in return for the election of a Yorkshire Mayor by May 2020.
- 2.4 At its April 2018 meeting, the Combined Authority noted that Yorkshire Leaders had submitted their March proposal as a basis for initiating negotiation with Government. Following informal advice from Government officials, the following additional work was endorsed:
- Further building the robust economic case for devolving to Yorkshire;
 - Developing more detailed governance arrangements for the operation of a Mayoral Yorkshire Combined Authority and a practical ‘route map’ to establish a Yorkshire Mayor by May 2020; and
 - Preparing an accessible, public facing version of the proposed deal which summarises the benefits.
- 2.5 On 9 July 2018, the Secretary of State, Rt Hon James Brokenshire MP, responded to One Yorkshire Leaders’ March submission letter stating that: “Until the Sheffield City Region devolution deal is fully implemented, the Government is not prepared to enter into any discussion about wider devolution arrangements [across Yorkshire] that would include some or all of the Sheffield City Region authorities”.
- 2.6 Yorkshire Leaders responded to the Secretary of State on 16 July 2018 stating that: “We are already developing the detail of the economic case underpinning One Yorkshire and would welcome the involvement of officials from Government in that process. We hope you will respond constructively so that rapid progress can be made in the coming weeks and months. Your support is essential to accelerating the delivery of the Sheffield City Region devolution deal whilst assuring those who want to join One Yorkshire that option will be available to them as early as 2020.”

Recent Progress

- 2.7 Over summer 2018, the additional work identified in Section 2.4 was completed to the satisfaction of One Yorkshire Leaders and Chief Executives. On 10th October 2018 One Yorkshire Leaders sent the Secretary of State a letter including: an independent study on the economic rationale for devolving to Yorkshire; further developments in relation to the governance proposals; and a route map – based on a single One Yorkshire Combined Authority which would be overseen by a directly elected Mayor from May 2020. This submission can be found for information at <https://www.westyorks-ca.gov.uk/economy/devolution/> . The background to, and key elements of, this submission are summarised below.
- 2.8 The One Yorkshire Chief Executives sub group commissioned Steer consultants to independently assess the data and evidence (including

published data, econometric modelling and views drawn from structured interviews with business) in relation to the One Yorkshire geography as a coherent economic area. The intent of the commissioned study (*The economic rationale for devolving to Yorkshire, Steer Economic Development, 2018*), was twofold:

- to assess the overall economic and strategic rationale for devolving powers and budgets to the Yorkshire level; and to
- identify key opportunities and tangible benefits which could be secured by, and for, all communities and businesses across the region's urban, rural, and coastal areas.

2.9 The independent economic study's key messages can be summarised as follows:

- **One Yorkshire is found to be a coherent economic area. Together it is more than the sum of its parts:**
 - Yorkshire's growth is currently limited by sub-regional barriers in areas such as transport and skills which can be overcome by One Yorkshire approach;
 - Yorkshire's identity is considered a real asset by business in local national and international activity; and
 - Yorkshire is markedly different from the UK economy which makes it suitable for discharging devolved powers -
 - we face a unique set of challenges (eg in relation to exports, R&D, business base and skills), and
 - Yorkshire has a nationally distinctive sectoral mix with greater employment specialisation in manufacturing; distribution, transport, accommodation & food; and public administration, education and health.
- **A powerful One Yorkshire devolution deal will deliver demonstrable economic and social benefits to the region's communities and the country:**
 - the Yorkshire level is capable of maximising the opportunities and benefits of devolution, and would complement and add value to local and also pan-Northern arrangements, including Transport for the North;
 - between £9bn and £30bn-a-year increase in Yorkshire's economic output, equating to up to £5,400 per person annually over 20 years;
 - economic uplifts including across exports (up to £10.4bn), inward investment (up to £19.7m), R&D (up to £1.3bn) and skills (up to £1.56bn); and
 - strong local business support for devolving powers with a majority favouring devolving to the Yorkshire level.

2.10 Further developed governance proposals, which were also included in One Yorkshire Leaders' October 2018 submission to Government, respond to issues and challenges raised through the structured business engagement exercise undertaken as part of the independent economic study. For example local business concerns were raised about devolution creating: additional

bureaucracy; uncertainty over functions to be covered; and perceptions of risk of smaller areas losing out to larger ones. In addition, the proposals responded to Government's concern that appropriate arrangements would need to be put in place that reflect Yorkshire's scale and diversity.

2.11 The proposed governance arrangements are based on the 'form follows function' principle and include:

- **A One Yorkshire Combined Authority** - A directly elected Yorkshire Mayor will Chair a single Combined Authority, where all local authority members are represented and can have a say, including on a regional budget and policy framework. A Yorkshire-wide Industrial Strategy would be the key mechanism through which full use will be made of all our strategic assets and infrastructure. Overview and Scrutiny arrangements will be fully embedded within the Yorkshire Combined Authority which will embrace both Combined Authority and LEP structures.
- **Pan-Yorkshire Thematic Boards** - will be established as Committees of the Combined Authority and have a county-wide remit and include the Mayor or designated Mayoral lead, sub-regional representatives and key partners. These decision-making Boards (for example, Strategic Transport, Skills, Trade and Investment, and Innovation) would develop investment priorities, commission delivery of projects and programmes, and monitor progress and impacts of investments made.
- **Sub-regional arrangements** – would also be established as Committees of the Combined Authority to reflect as far as practicable Yorkshire's functional economic and LEP areas: providing local intelligence, data and insight; overseeing delivery of activity in their sub-region; and maintaining a place-based focus.

2.12 The governance element of the submission also includes a route map which sets out the possible steps needed to deliver a One Yorkshire deal by 2020. The route map proposes what Leaders consider to be, subject to Government support, a pragmatic way forward to both unlock and implement the Sheffield City Region (SCR) devolution deal and progress an ambitious One Yorkshire deal which includes all 18 of the partner authorities from day one. It recognises the Government's position that the first step towards a One Yorkshire deal is to ensure the full implementation of the SCR deal. In order to enable Leaders' ambition for the election of a One Yorkshire Mayor in 2020, the route map proposes that the two distinct processes should be progressed in parallel instead of entirely sequentially. The timings were considered ambitious, but based on legal advice received, ultimately achievable.

2.13 In order to enable wider communications and engagement, including with the public, business and other stakeholders, an accessible plain English summary of the One Yorkshire proposals has been developed. This summary can also be found at <https://www.westyorks-ca.gov.uk/economy/devolution/> for information and has been published by the Combined Authority and One Yorkshire Councils.

Next steps

- 2.14 Matters related to devolution were discussed at a recent Yorkshire Leaders meeting held in York on 11 January 2019 where it was noted that a number of sub-regional meetings had been convened with the Northern Powerhouse Minister Jake Berry MP before Christmas 2018 on the subject of devolution in Yorkshire. These discussions were seen by Leaders to have been constructive. At these meetings, the Minister confirmed that a Government response to Leaders' October 2018 submission would be provided.
- 2.15 Leaders noted at their meeting in January 2019 that a response from the Secretary of State had not been received to date and that a firm commitment was needed from Government to progress a One Yorkshire deal.
- 2.16 It was also recognised by Leaders that the time being taken by the Government to consider their proposal in detail had impacted on the proposed route map, and therefore potentially the deliverability of a One Yorkshire Mayor by 2020. Leaders therefore agreed to review their route map and consider any interim funding arrangements which might be required should a 2020 timeline no longer be practicable, such a Growth Deal extension
- 2.17 Finally, Yorkshire Leaders recognised the need to continue to engage with and gain the support of the public, business, MPs and Peers and agreed to consider ways in which wider public opinion on One Yorkshire devolution could be gathered.

3 Financial Implications

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

4 Legal Implications

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

5 Staffing Implications

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

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 That the Combined Authority note and discuss the progress made and next steps on devolution to Leeds City Region.

8 Background Documents

- 8.1 None

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Strengthened Local Enterprise Partnerships**

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

Author(s): Jonathan Skinner

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

1. Purpose of this report

- 1.1 For the Combined Authority to determine whether to agree, in principle, to act as the accountable body for a new local enterprise partnership (LEP) covering the geographical areas of West and North Yorkshire, and York. This is subject to, and does not prejudice, upcoming considerations by the existing LEP Boards about whether and how to establish a new LEP, and the work of the Transition Subgroup that is overseeing the development of recommendations to those Boards.

2. Information

Delivering 'Strengthened Local Enterprise Partnerships'

- 2.1 The Combined Authority has previously noted (13 December 2018) the local consensus to **create a new Local Enterprise Partnership (LEP)** from April 2020 for a geography covering West and North Yorkshire and York, representing the majority of the Leeds City Region Enterprise Partnership and the York, North Yorkshire and East Riding Local Enterprise Partnership. This responds to Government's requirement to remove overlapping geographies, as set out in the paper '*Strengthened Local Enterprise Partnerships*'.

2.2 Representatives of the two LEPs are working collaboratively via a joint **Transition Subgroup to lead the establishment of the new LEP**. It is developing proposals across eight workstreams, which will report to both LEP Boards in late March 2019 in order to enable the Boards to decide to proceed with the creation of the new LEP, and to secure mandates to progress further work:

- 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.

Accountable body of the new LEP

- 2.3 In respect of workstreams (1) and (5), there is a need to determine the new LEP’s accountable body – that is, the organisation responsible for ensuring that the LEP makes decisions in accordance with its local assurance framework to deliver transparent, accountable decision-making that provides value for money.
- 2.4 The Combined Authority currently acts as the accountable body for the Leeds City Region Enterprise Partnership, while North Yorkshire County Council is the accountable body for York, North Yorkshire and East Riding LEP.
- 2.5 As the Transition Subgroup considers accountable body arrangements for the new LEP, it would be helpful for the Combined Authority to **provide a clear indication whether it is willing for the Combined Authority to play that role**, subject to that being what the Transition Subgroup and LEP Boards agree as being in the best interests of the future LEP.
- 2.6 The Combined Authority being the accountable body of the new LEP would enable there to be a single local assurance framework applied consistently across all LEP and Combined Authority-funded programmes, providing strong accountability and value for money.

2.7 How the Combined Authority would exercise its functions for the new LEP is a matter of consideration by the Transition Subgroup. Detailed proposals will be developed once the two LEP Boards have agreed whether to proceed with the creation of a new LEP.

3. Inclusive Growth Implications

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

4. Financial Implications

4.1 The Combined Authority already performs the Accountable Body function for the Leeds City Region Enterprise Partnership, therefore our provisional assumption is that this proposal is likely to be cost neutral. However, financial implications are being worked through in the project to create a new LEP.

5. Legal Implications

5.1 Undertaking the role of accountable body has legal implications associated with being responsible for ensuring the LEP complies with its local assurance framework. These are similar however to those the Combined Authority currently undertakes for the Leeds City Region Enterprise Partnership.

6. Staffing Implications

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

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 That the Combined Authority agrees in principle to act as the accountable body for the new Local Enterprise Partnership

9. Background Documents

The background documents referenced in the report:

- Combined Authority report on delivery of 'Strengthened Local Enterprise Partnerships' (13 December 2018)
- LEP Board report on the progress of the Transition Subgroup (24 January 2019)

10. Appendices

None.

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Local Assurance Framework update**

Director: Melanie Corcoran, Director of Delivery

Author(s): Rachel Jones/Dave Haskins

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

1 Purpose of this report

- 1.1 To provide the Combined Authority with an update on progress relating to changes proposed to the Leeds City Region Assurance Framework arising from its annual review, and with the recently issued review of the National Local Growth Assurance Framework (January 2019).
- 1.2 To ask the Combined Authority to provide feedback on the updated assurance requirements, approve the substantive form of the document following the incorporation of further changes requested, and to authorise the Combined Authority's Managing Director to finalise the document in consultation with the Chair of the Combined Authority and the Chair of the LEP Board for submission, and to make further in year changes as may be required.

2 Information

- 2.1 The LEP has secured Growth Deal funding and the Combined Authority is the accountable body for the LEP. Therefore, 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 that covers 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 previous 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 Local Growth Assurance Framework guidance (January 2019) (see below), and builds on a body of existing good practice.
- 2.4 This new version of the Assurance Framework must be published on the Local Enterprise Partnership's website by 31 March 2019. The National Local Growth Assurance Framework has brought in a set of new requirements, which are being incorporated into this ongoing review. Our local Assurance Framework is already compliant with the majority of these requirements.
- 2.5 Additionally, the recent 'Strengthened Local Enterprise Partnerships' 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 Local Growth Assurance Framework, and has implications for our local Assurance Framework, both for this review and the review for 2020, relating to the potential revisions to LEP geography.
- 2.6 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.
- 2.7 Other changes required to the 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 the assurance process.
- 2.8 A revised version of the document has been developed, to take account of the changes to the Combined Authority Assurance Process and the recent review of the National Local Growth Assurance Framework. The scope of the revised Assurance Framework 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
- A description of the arrangements for supporting the effective development, appraisal and delivery and implementation of projects and programmes, including relationships with delivery bodies.

- 2.9 The principles and direction of the revised Assurance Framework have been shared and discussed with Overview & Scrutiny Committee and the LEP Board. It was agreed at the LEP Board on 23 January 2019 that authority be delegated to the Chair of the LEP Board and the LEP Chief Executive/Combined Authority Managing Director to approve submission of the Assurance Framework on behalf of the LEP.
- 2.10 Overview & Scrutiny Committee, through the LEP Review Delivery Working Group, have offered a level of challenge as 'critical friends' to the approach taken and have indicated that they are content with the current direction of travel. Further scrutiny sessions will focus on ensuring that the document is fit-for-purpose.
- 2.11 The current working version of the Assurance Framework is provided as **Appendix 1** to this report.

Next Steps

- 2.12 It is the responsibility of the Director of Corporate Services, 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 Assurance Framework has been agreed, is being implemented, and meets the standards set out in the National Framework.
- 2.13 In line with the continuous improvements to our processes over the coming year, it is envisaged that further changes will need to be made to the Assurance Framework. These will also incorporate changes to reflect any future updates to guidance, and feedback from the 'Annual Conversation' with Government.
- 2.14 Subject to further changes being required, an update to the Assurance Framework will be brought to the LEP Board and the Combined Authority on an annual basis.

3. Financial Implications

- 3.1 The annual update to the Local Assurance Framework is required in order to remain compliant with government documentation. Failure to do this may result in future growth deal funding being compromised.

4. Legal Implications

- 4.1 The annual update to the Local Assurance Framework is in response to government requirements as set out above.

5. Staffing Implications

- 5.1 The annual update to the Local Assurance Framework is being accommodated within existing staff resources within the Combined Authority.

6. External Consultees

- 6.1 None.

7. Recommendations

- 7.1 The Combined Authority is asked to:
- (i) Approve the substantive form of the draft Assurance framework subject to the incorporation of any further feedback; and
 - (ii) Authorise the Combined Authority's Managing Director to finalise the content of the Assurance Framework in consultation with the Chair of Combined Authority and the Chair of the LEP Board, and to submit the document to Government by 31 March 2019.

8. Background Documents

- 8.1 There are no background documents.

9. Appendices

- 9.1 Appendix 1 – Draft Assurance Framework.

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Assurance Framework

6 February 2019

Version 1.01



In partnership with



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Executive summary

To be updated once full document is finalised

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1. INTRODUCTION

1.1 The Leeds City Region Enterprise Partnership

The Leeds City Region Enterprise Partnership (the LEP) is the strategic body responsible for a significant amount of public funding to drive inclusive growth, increase prosperity and improve productivity in the Leeds City Region.

It is an autonomous business-led public-private local partnership, which brings together the private and public sectors from across the Leeds City Region to provide strategic leadership.

The Leeds City Region spans 10 local authority areas: Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York¹. Leeds City Region local authorities - these 10 areas plus North Yorkshire County Council - have been at the forefront of partnership working since 2004, building robust, transparent and accountable governance for over a decade.



The LEP vision is: **‘to be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone’.**

The LEP focusses its activities on the following:

Strategy: setting and developing strategy, including an evidence-based Strategic Economic Plan (SEP) (to be replaced by the Local Inclusive Industrial Strategy (LIIS)) that identifies local strengths and challenges, future opportunities and the

¹ The LEP is currently reviewing its geographical area, with a view to changes being implemented by April 2020.

interventions needed to boost productivity, earning power and competitiveness across the Leeds City Region.

Allocation of funding: identifying and developing investment opportunities, prioritising the award of local growth funding; and monitoring and evaluating the impact of LEP activities to improve productivity across the local economy.

Co-ordination: using the LEP’s convening power, and bringing together partners from the private, public and third sectors.

Advocacy: collaborating with a wide-range of local partners to act as an informed and independent voice for the Leeds City Region.

The LEP works collaboratively and in partnership with the West Yorkshire Combined Authority, as its accountable body – see further below.

1.2 The West Yorkshire Combined Authority

The West Yorkshire Combined Authority (the Combined Authority) was established on 1 April 2014² to work alongside the LEP in relation to devolved local growth funding and responsibilities. It supports business growth through its transport, economic development and regeneration functions, investing in economic infrastructure, and through its role in creating quality places.

The area of the Combined Authority is that of its five constituent Councils, the West Yorkshire authorities of Bradford, Calderdale, Kirklees, Leeds and Wakefield. It is the local transport authority for West Yorkshire.



1.3 The West Yorkshire Combined Authority’s role as accountable body

The Combined Authority is the accountable body for the LEP, responsible for:

- carrying out finance functions on behalf of the LEP

² By the West Yorkshire Combined Authority Order 2014

- oversight of the LEP's financial and governance, transparency and accountability arrangements
- providing additional support as agreed by the LEP.

As accountable body, the Combined Authority is accountable to Government for complying with any conditions or requirements attached to funding allocated to LEP, or to the Combined Authority in its own right.

Appendix 1 to this Assurance Framework sets out the accountable body arrangements which the LEP has agreed with the Combined Authority.

The statutory Section 73³ **Chief Finance Officer** of the Combined Authority as accountable body, is responsible for overseeing the administration of the Combined Authority's financial affairs. This role is extended to include the financial affairs of the LEP.

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

Appendix 2 to this Assurance Framework sets out the responsibility arrangements for the Chief Finance Officer.

The Chief Finance Officer is required to formally report to the Ministry of Housing, Communities and Local Government on an annual basis, confirming compliance with the Assurance Framework.

1.4 Links between the LEP and the West Yorkshire Combined Authority

There are a number of strong linkages between the LEP and the Combined Authority, notably:

- the LEP Chair is a member of the Combined Authority
- the SEP forms the basis of the work of both the LEP and the Combined Authority
- West Yorkshire council leaders are members of both the LEP and the Combined Authority
- the Assurance Framework is adopted by both the LEP and the Combined Authority
- The Chief Executive Officer of the LEP is also the Managing Director of the Combined Authority.

³ Section 73 of the Local Government Act requires the Combined Authority to appoint an officer to be responsible for the proper administration of the authority's financial affairs. This role is carried out by the Combined Authority's Director of Corporate Services.

1.5 Scope of the Assurance Framework

This is the Assurance Framework for the Leeds City Region Enterprise Partnership and the Combined Authority. Agreeing and adopting a single Assurance Framework recognises that both the LEP and the Combined Authority seek to drive growth, through place-based and locally-controlled polices and funds and reflects the close relationship between the LEP and the Combined Authority as its accountable body.

This Assurance Framework covers capital and significant revenue expenditure funded by Government or local sources and invested in projects and programmes in the Leeds City Region including funding received by the Combined Authority as the accountable body for LEP funding in respect of the Local Growth Fund and a number of other funding streams.

The rest of this Assurance Framework sets out arrangements adopted by the Leeds City Region in relation to:

- governance and key decision-making arrangements (**Section 2**)
- transparency and accountability (**Section 3**)
- local engagement and partnership working (**Section 4**)
- approach to prioritisation (**Section 5**)
- the assurance around project and programme delivery, including ensuring value for money (**Section 6**)
- approach to monitoring and evaluation (**Section 7**).

1.6 Purpose of the Assurance Framework

This Assurance Framework explains how

- schemes are identified, appraised and funding is allocated
- appropriate levels of transparency are demonstrated
- monitoring and evaluation of projects is undertaken to ensure that they achieve value for money and projected outcomes

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

The Seven Principles of Public Life (the Nolan principles)⁴ underpin this Assurance Framework to ensure that the LEP and the Combined Authority, their members and officers are upholding the highest standards of conduct and ensuring robust stewardship of the resources they have at their disposal.

The Assurance Framework is one element of the Government's wider assurance systems. The Accountability System Statements for both Local Government and the

⁴ These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Local Growth Fund (LGF) set out other key mechanisms in relation to the City Region funding which include:

- regular reporting to the government against agreed output metrics
- an evaluation framework
- annual performance conversations between the government and city regions

The Assurance Framework is a key mechanism to ensure that we have robust systems and processes in place to support the developing confidence in delegating funding from Government to the Leeds City Region.

We view the Assurance Framework as an essential part of good practice and of our development as a mature partnership that can increasingly be trusted by the public and by government to take its own investment decisions. The degree of flexibility in the Leeds City Region Growth Deal demonstrates that the City Region is one of those most trusted by government, and we intend that this Assurance Framework keeps us at the leading edge in our approach to governance and appraisal.

1.7 Strategic framework for investment

Following publication of the Government's Industrial Strategy White Paper (November 2017), the LEP and Combined Authority supported an approach to build on and ultimately replace the Strategic Economic Plan (SEP) and broaden the City Region's policy range by working towards the development of a new, agile, long-term strategic framework. Based on robust evidence and demonstrating a clear understanding of the key strengths, assets and challenges in Leeds City Region, the new framework will focus on tackling the key challenges agreed by the LEP Board in September 2017, and re-affirmed at the LEP Board away day in 2018:

- the City Region's productivity gap with peers is too large and growing
- Investment, particularly private investment, in research and development is too low
- living standards in the City Region have stalled
- stubborn deprivation persists.

The new framework will:

- reflect the City Region's expanded policy remit
- ensure Combined Authority and LEP strategies are aligned with a clear focus on tackling the above challenges and delivering inclusive growth outcomes
- maximise strategic assets and strengths e.g. a concentration of science, research and innovation assets; globally-competitive manufacturing sector and vibrant digital-tech sectors, including medical technologies
- place the City Region on the front-foot with an ambitious policy platform that improves competitiveness and ensures the benefits are shared fairly.

Outputs and deliverables for this work will include:

- **City Region Strategic Framework:** overarching framework that will replace the SEP; setting out specific, achievable and long-term ambitions and priorities, relating to evidence and specific challenges and future opportunities
- **Evidence:** setting out a robust and open evidence base, drawing out the relative strengths and weaknesses, with a greater emphasis on productivity and inclusive growth
- **Strategy development:** an agreed revised set of strategies and Implementation Plans, including a Local Inclusive Industrial Strategy
- **City Region Impact framework:** development of the 'good growth' impact framework presented in the SEP to further embed inclusive growth measures, ensuring that will investment will create better, more secure jobs that provide people with a real pathway to an improved quality of life
- **Output and outcome measures:** refinement of existing key performance indicators to reflect a broader policy range and inclusive growth. These will be used to inform programme and project level appraisal and evaluation frameworks, including the strategic and economic case assessments
- **Evaluation:** set out clear plans to evaluate progress, drawing on lessons of policy evaluation such as the What Works Centre for Local Economic Growth

It was also agreed that work would begin on the development of a Local, Inclusive Industrial Strategy (LIIS) which will sit at the heart of the new framework aimed at driving growth, boosting productivity and earning power for a post-2030 economy. The development of a LIIS for the City Region provides an opportunity to improve the productivity of the economy and deliver economic inclusion so benefits are felt by all, and firms become more competitive for a new international trading environment. The Government has stated that it will sign off all Local Industrial Strategies by early 2020 and the Combined Authority / LEP is working towards the production of a new strategic framework and Local, Inclusive Industrial Strategy within this timeframe.

In response to the recommendations set out in the Governments 'Strengthened Local Enterprise Partnerships' review, Leeds City Region and York, North Yorkshire, and East Riding (YNYER) LEPs submitted a proposal support of a West and North Yorkshire LEP. If the proposal is accepted by Government, the new LEP will be fully functioning by April 2020. Plans are in place to align existing strategies and will be reflected in future developments.

1.8 Reviewing, approving and publishing the Assurance Framework

The LEP and the Combined Authority review the Assurance Framework annually to ensure that it meets:

- the needs of local investors, all our partners and the wider public
- the standards set out in the National Assurance Framework

For 2018/19 the review included input from the Combined Authority's Overview and Scrutiny Committee.

The Assurance Framework was reviewed by the LEP Board on 26 March 2019 and by the Combined Authority on 14 February 2019.

The Framework complies with the standards set out in the revised National Assurance Framework issued by Government in January 2019.

The Assurance Framework is a 'live' document, and may be subject to further revision and update to ensure that it remains fit for purpose. For transparency, the Assurance Framework is published on the LEP and the West Yorkshire Combined Authority websites, together with supporting information.

The Assurance Framework is reviewed annually and signed off by the LEP Board, the Combined Authority and the S73 Chief Finance Officer.

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2. DECISION-MAKING ARRANGEMENTS

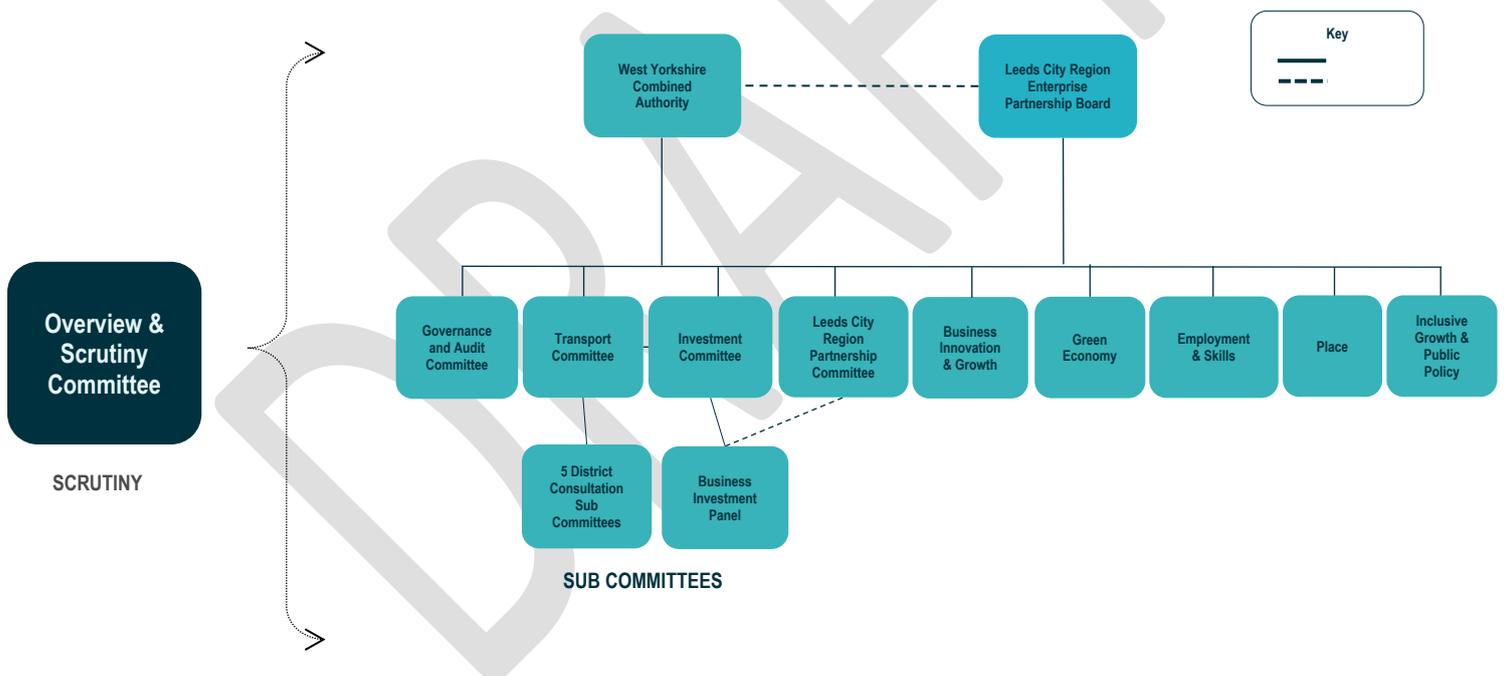
2.1 Introduction

As set out in Section 1, the principal decision-making bodies for the Leeds City Region are the Leeds City Region Enterprise Partnership (the LEP) and the West Yorkshire Combined Authority (the Combined Authority).

The LEP's accountability and decision-making arrangements benefit from being integrated with the Combined Authority. This means the LEP shares sub-board structures with the Combined Authority, ensuring joined-up decision-making while reflecting the particular roles set in this Assurance Framework. Government has recognised this brings clearer governance and transparency. Integration also provides for seamless processes in respect of strategy and delivery and significant efficiencies.

A structure chart of the LEP and Combined Authority is set out below in Figure 2.1:

Figure 2.1: Governance structure (TO BE REVIEWED/UPDATED)



The LEP Board

The LEP is responsible for setting strategic direction and will hold partners to account in the delivery of our strategic objectives. Responsibility for LEP decision-making rests with its LEP Board⁵, the decision-making forum for the LEP.

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

Key roles and responsibilities of the LEP Board include:

- providing high quality leadership by:

⁵ The LEP Board may delegate decisions in accordance with the LEP's Constitution and the LEP Board's Procedure Rules

- setting the strategic direction for the sustainable economic growth of the Leeds City Region economy and
- proposing key objectives and investment priorities to deliver the overall vision and strategy of the LEP
- overseeing the delivery of the SEP
- leading the development of Enterprise Zones in the Leeds City Region
- agreeing funding criteria, leading and coordinating funding bids and leveraging funding from the private and public sector to support the delivery of agreed LEP priorities
- working with the Combined Authority to set the forward strategy for attracting new financial and business investment into the area
- jointly approving a Business Plan and performance reporting with the Combined Authority on its plans and the SEP
- influencing key sub-regional, regional, national and international strategies
- publishing an annual report
- providing a link to Government on all aspects of the LEP’s work.

Appendix 3 provides more information about the membership arrangements of the LEP Board.

The Combined Authority

As set out in Section 1, the Combined Authority is the accountable body for funding allocated to the LEP, as well as the publicly accountable decision-making body in respect of the Combined Authority’s statutory functions. Appendix 3 provides more information about the membership of the Combined Authority.

Additional information on transparency and accountability arrangements is set out in Section 3, and Appendices 1, 2 and 3 provide additional information in relation to governance arrangements.

2.2 Substructures of the LEP and the Combined Authority

2.2.1 Advisory Panels

The following advisory panels appointed by the Combined Authority⁶ report to the LEP. Their focus is on policy development, including criteria for the allocation of LEP funding. Panels are usually chaired by a LEP Board private sector or public sector representative.

Table 2.1: Advisory Panels

Business Investment Panel	<p>This panel has a key role in the assurance process for the appraisal of business grants and loans in the City Region, carrying out due diligence in respect of funding applications.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here. An advisory sub-committee of the West Yorkshire and York Investment Committee</p>
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⁶ These are advisory committees of the Combined Authority

	(see below), this Panel has representatives from local authorities and the private sector.
Business Innovation and Growth Panel	<p>This panel advises the LEP and the Combined Authority in relation to business growth, including business support, innovation, digital, trade, and inward investment. Made up of representatives from the private sector, universities, policy-makers and delivery partners, this Panel ensures that our work is driven by the needs of business.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>
Employment and Skills Panel	<p>This Panel brings employers together with local authority representatives and skills providers. It advises the LEP and the Combined Authority in relation to employment and skills within the City Region, for example, projects to address skills gaps in the City Region’s key industry sectors, and create local leadership that drives improvements in skills and employment. Their work is driven by the needs of employers and the City Region’s economy.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>
Green Economy Panel	<p>This Panel brings together local authority and private sector representatives in the City Region, to advise the LEP and the Combined Authority in relation to environmental sustainability and achieving a zero carbon economy in the City Region.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>
Place Panel	<p>Comprising local authority and private sector representatives, this Panel advises the LEP and the Combined Authority on promoting the quality of place in the City Region, including relation to housing growth, quality and regeneration, infrastructure planning, strategic land use and asset management, sustainable development and enterprise zones.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>
Inclusive Growth and Public Policy Panel	<p>This Panel advises the LEP and the Combined Authority in relation to securing inclusive growth throughout the Leeds City Region.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>

2.2.2 Decision-making committees

The Combined Authority has also appointed the following decision-making committees:

<p>Transport Committee</p>	<p>In accordance with the policies and strategies set by the Combined Authority, the Transport Committee meets to consider matters relating to its statutory transport functions. The Committee also oversees, and has strategic oversight of, public transport revenue expenditure funded by the West Yorkshire transport levy.</p> <p>In relation to transport-related investment, the Committee has a specific role in liaising with the West Yorkshire and York Investment Committee to promote the strategic alignment of regional transport funding investment.</p> <p>The Committee also has a decision-making role in investment decisions – see further below.</p> <p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here.</p>
<p>West Yorkshire & York Investment Committee</p>	<p>The West Yorkshire and York Investment Committee is authorised to advise the Combined Authority in relation to any function of the Combined Authority relating to economic development and transport-led regeneration. This includes advising on proposed funding submissions and reviewing the impact of schemes funded by the LEP and the Combined Authority.</p> <p>The Committee also has a decision-making role in investment decisions – see further below.</p> <p>The terms of reference, membership, future meeting dates and agenda items of the Committee can be found here.</p>

2.2.3 Other committees of the Combined Authority

<p>Overview and Scrutiny Committee</p>	<p>This is a statutory committee of the Combined Authority which reviews and scrutinises decision-making by the LEP and by the Combined Authority (including in its role as accountable body for the LEP). See further section 3.7 for more detail.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found here.</p>
<p>Governance and Audit Committee</p>	<p>This committee fulfils the Combined Authority’s statutory requirement to appoint an audit committee. It also carries out functions relating to promoting standards of conduct. See further section 3.7</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found here.</p>

Leeds City Region Partnership Committee	<p>This committee provides a forum to bring together local authority representatives from all of the Leeds City Region authorities, to facilitate direct collective engagement with the Combined Authority, as the LEP’s accountable body.</p> <p>The Committee advises the Combined Authority in relation to its role as accountable body. It also acts as a consultative forum on any matter referred to it by the Combined Authority, which could include matters raised by local authorities not represented on the Combined Authority, or by the LEP Board.</p> <p>The terms of reference, membership, meeting dates and agenda items of the Committee can be found here.</p>
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2.2.4 Business Communications Group

This group reports to the LEP Board. It is made up of spokespeople from key business representative organisations in the City Region. They play an active role in supporting business growth in the region by helping to coordinate effective communications between the LEP and the business community. They also act as an advisory group to the LEP Board; consulting with their members on barriers to growth and ensuring businesses are at the heart of everything we do.

The Chair of BCG is the identified LEP Board member to represent the SME business community.

The full list of membership can be found [here](#).

2.3 Investment Decisions – progress through the assurance process

All investment decisions are made by reference to:

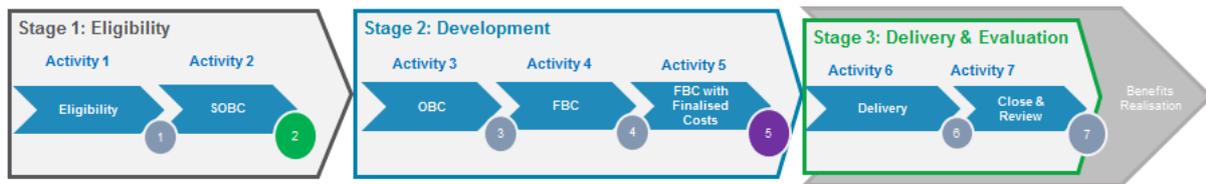
- the SEP (until superseded by the Local Inclusive Industrial Strategy)
- statutory requirements
- any grant conditions attached to funding
- local transport objectives

Decisions are based on merit, taking into account all relevant information available at the time.

All investment decisions are taken in accordance with the Assurance Process stages and activities, subject to agreed exceptions (such as small grant programmes, for example business growth grants and loans, where alternative arrangements are in place).

Section 6.2 sets out in detail of the Assurance Process for schemes, and the decision points that take place at the end of each activity. These are summarised in Figure 2.2 below:

Figure 2.2: Overview of the Assurance Process



Subject to the exceptions **all schemes require approval from the Combined Authority at Decision Point 2 (Strategic Outline Business Case (SOBC))**, in order to proceed to Stage 2: Development.

The Combined Authority also sets a bespoke approval pathway and approval route to be followed at all subsequent decision points in the Assurance Process for each scheme – see further information in section 6.3.7. In setting the bespoke approval pathway, the Combined Authority will take into account recommendations from the West Yorkshire and York Investment Committee, who consider in detail the size/scale/sensitivity/risks (i.e. the tolerances) around each specific scheme.

A bespoke approval pathway may delegate decisions to the Transport Committee, the West Yorkshire and York Investment Committee, or to the Combined Authority’s Managing Director⁷, subject to any scheme staying within agreed tolerances.

Possible options include:

- a scheme must be considered and gain the approval of the Combined Authority at each decision point during its development; or
- a scheme’s approvals at subsequent decision points may be delegated to the West Yorkshire and York Investment Committee and/or the Managing Director, subject to scheme tolerances set at decision point 2 (SOBC);
- a scheme’s approvals at subsequent decision points may be delegated to the Managing Director, provided that the project remains within scheme tolerances set at decision point 2 (SOBC); or
- a scheme’s approvals may be delegated to the Managing Director up to an identified decision point, at which point, the scheme should be referred back to the West Yorkshire and York Investment Committee and/or the Combined Authority for review or approval.

The Combined Authority must take any investment decision which has not been delegated to either the Transport Committee, the West Yorkshire and York Investment Committee or the Managing Director, including those decisions where a scheme has fallen outside of the tolerances identified by the Combined Authority.

Before taking any funding decision, a decision-maker needs to be satisfied that the Assurance Framework has been complied with. The Combined Authority’s

⁷ Drafting note: additional reference to the Managing Director’s sub-delegation may be inserted – under review

Programme Appraisal Team (PAT) has a key role in ensuring compliance with the Assurance Framework - see further Section 6.3.5 below.

The specific decision-making authority of the Transport Committee and the West Yorkshire and York Investment Committee in relation to progressing schemes under the Assurance Framework are as follows:

Transport Committee	The Committee has authority to approve individual schemes within the Integrated Transport Block of the Capital Programme, up to a maximum cost of £3 million. (For schemes over £3 million, approval is given by the Combined Authority).
West Yorkshire & York Investment Committee	The Committee has authority to make any decision to progress a scheme ⁸ under the Assurance Framework ⁹ in accordance with any bespoke approval pathway and approval route for the scheme ¹⁰ , as delegated by the Combined Authority.

Any investment decision is taken by the Managing Director under delegated authority, is usually taken in consultation with the Combined Authority’s Senior Leadership Team. The Managing Director reports their delegated decisions to the West Yorkshire and York Investment Committee.

The Managing Director also has delegated authority to approve the terms of any funding agreement in respect of a scheme, which has previously been approved by the Combined Authority or under delegated authority under decision point 5 (final costs and legal agreement approval).

2.4 Growth Service, Economic Development Loans and Business Grants

There are currently specific arrangements in place in relation to the approval and appraisal of business grants and economic development loans. In addition, arrangements relating to the principles for ESIF Sustainable Urban Development (SUD) purposes are set out in Appendix 5.

Growth Service	The Growth Service for the City Region is funded directly from Business, Energy and Industrial Strategy (BEIS). BEIS is funding the Growth Service at £512,500 per year in 2018/19 and 2019/20. SME Growth Managers operate within the City Region’s local authority partner councils, and their salaries are matched on a 50/50 basis by the local authorities who also employ them.
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⁸ Including determining change requests

⁹ After decision point 2 (SOBC) only

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

	<p>Detailed progress on the Growth Service project is reported on a quarterly basis to the Business Innovation and Growth (BIG) Panel, and on a 6-weekly basis to the LEP Board by the BIG Panel Chair. There is also a private sector lead on the BIG Panel for the Growth Service, who runs their own small business(es). The BIG Panel is responsible for reviewing whether the project's output and expenditure targets are met, and for identifying and addressing risks and opportunities.</p> <p>In addition, detailed six-monthly reports and quarterly financial claims are sent to BEIS.</p>
<p>Economic Development Loans</p>	<p>Using a framework set out by the LEP, decisions are taken about entering into economic development loans for the Growing Places Fund, following consideration of the recommendations made by the Business Investment Panel (which has public and private sector representatives) and the West Yorkshire and York Investment Committee. The Combined Authority approves projects and the loan amount in principle and the Managing Director under their delegated authority finalises and approves the details, following appropriate due diligence.</p> <p>If there is an objection or issue in relation to an application, the Managing Director refers the application back to the Combined Authority for further consideration.</p> <p>If a loan or grant application comes from the wider Leeds City Region area (Barnsley, Craven, Harrogate, and Selby) then the Leeds City Region Partnership Committee is consulted.</p> <p>The Managing Director reports decisions on loans and grants made under delegated authority, to subsequent Combined Authority meetings.</p>

Arrangements in relation to **economic services grants** are set out in appendix 4 of the Assurance Framework.

3. TRANSPARENCY AND ACCOUNTABILITY

3.1 Transparency

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

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

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

Leeds City Region is committed to achieving diversity and equality of opportunity both as a partnership and as a commissioner of services. The LEP promotes equality of opportunity and does all it can to ensure that no member of the public, service user, contractor or staff member working within a partner organisation will be unlawfully discriminated against. Our Equality and Diversity Policy including Diversity Statement can be found [here](#).

3.2 Meetings

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

- the public's rights to attend meetings and inspect documents of the Combined Authority as set out in its Procedure Standing Orders
- meetings of the Combined Authority are live streamed, enabling the public to watch the meeting over the internet
- notice of any up and coming key decision will be published on the Combined Authority website twenty eight days in advance of the decision
- agendas and reports of meetings of the Combined Authority and its committees are available to the public on its website, in accordance with its Procedure Rules, five clear days before a meeting [here](#)
- minutes of meetings are published on the Combined Authority website
- business case summaries of all projects/programmes coming forward for a decision are published on its website. Summaries of projects/ programmes can be found [here](#)

- key decisions taken by officers are published on the Combined Authority website
- The Combined Authority adheres to the Local Government Transparency Code which requires the publication of additional data

The LEP Board also works to similar standards; the agenda, papers and minutes of the LEP Board Meetings are accessible from the LEP website, published on the Combined Authority website, as well as the SEP and information relating to progress on delivery of all programmes. LEP Board agendas and reports are published five clear days before a LEP Board meeting takes place in accordance with the LEP Board's Procedure Rules which can be found [here](#).

These Rules also set out more detail on decision-making, including quorum arrangements for meetings. Publications are marked as such in accordance with the LEP Board Procedure Rules. Publication of these documents is subject to the Combined Authority processes for identifying information which should not be published, as set out in the LEP Procedure Rules and Access to Information Annex. Additionally, any meeting of the LEP Board is open to the public except to the extent that the public are excluded in relation to confidential or exempt information in accordance with the LEP Board's Procedure Rules, and the Access to Information Annex which can be found [here](#). Minutes are published in draft within ten clear working days of a meeting taking place. The final minutes are published within ten clear working days of being approved.

A process for the LEP Chair to take urgent decisions outside of LEP Board meetings is set out in the LEP Constitution [here](#). This power may be exercised, for example, to approve amendments to LEP governance documents, in order to comply with government requirements.

3.3 Requests for information and Data Protection

The Combined Authority is subject to the Freedom of Information Act 2005 and the Environment Impact Regulations 2000, and will respond to statutory information requests in accordance with approved procedures. The Combined Authority also deals with any requests for information from the LEP, on its behalf, in accordance with the same procedures. Further information on the Combined Authority's Freedom of Information Policy can be found [here](#).

The Combined Authority is subject to the General Data Protection Regulation and Data Protection Act 2018 and must by law appoint a Data Protection Officer (DPO). The DPO assists the Combined Authority on the monitoring of compliance with the data protection legislation advises on data protection obligations, provides advice regarding Data Protection Impact Assessments and is the contact point for data subjects and the supervisory authority. The Combined Authority's DPO sits within Legal and Governance Services.

The LEP and Combined Authority respects and is committed to protecting the individual with personal information. Our privacy notice can be found [here](#)

3.4 Data Protection

Requests made by data subjects under the General Data Protection Regulation and Data Protection Act 2018 will be dealt with in accordance with approved procedures.

The Combined Authority's Data Protection Policy can be found [here](#) and privacy notice issued by the LEP can be found [here](#)

3.5 Information about business cases

An overview of all scheme business cases and evaluation reports are published on the Combined Authority website. A nominated point of contact is made available to receive public and stakeholder comments.

Summaries of business cases to be considered by Investment Committee as part of the Assurance Process (See Sections 5 and 6) are published electronically ahead of meetings to allow for external views to be sought. There are exceptions to this rule in respect of commercial confidentiality.

3.6 Use of resources and accounts

The use of resources by the Combined Authority are subject to the usual local authority checks and balances, including the financial duties and rules which require councils to act prudently in spending. These are overseen by the Combined Authority's S73 Chief Finance Officer, its Director of Corporate Services. This post has statutory responsibility to administer the Combined Authority's financial affairs, and is responsible for ensuring that funding is used legally and appropriately. The Chief Finance Officer's role extends to the LEP - see further Section 1.5 above and Appendix 2.

The Combined Authority has clear accounting processes in place to ensure that all funding sources are accounted for separately and that funds can only be used in accordance with the Combined Authority decisions. All of the Combined Authority's committee report templates allow for the Section 73 officer to provide comments under a 'financial implications' section.

The Combined Authority has a statutory duty to keep adequate accounting records and prepare a statement of accounts in respect of each financial year. This statement of accounts will be [published](#) (usually in June in draft and in September as fully audited, although this will change in accordance with legislative requirements), and will cover expenditure from the Local Growth Fund and other funding sources received from Government. A separate financial statement for LEP expenditure is planned for 2018/19.

The Combined Authority will publish a public notice each year, setting out a specific period during which any person may inspect and make copies of the Combined Authority's accounting records for the financial year.

During the same period, the local auditor must give a local government elector (someone registered to vote in the local elections) within West Yorkshire (or their representative) an opportunity to question the external auditor about the accounting records, and objections may be made to the auditor about any relevant item.

3.7 Audit

The Combined Authority complies with statutory requirements relating to audit arrangements, principal elements of which are:

- appointing an **audit committee**
- inspection by **external auditors**
- adopting **internal audit arrangements**

These audit arrangements apply to the LEP and to LEP funding in respect of which the Combined Authority is the accountable body.

The Combined Authority's Governance and Audit Committee fulfils the requirement to appoint an **audit committee**. By law this must include at least one independent person. The independent person chairs the Committee.

The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found [here](#).

An annual independent audit is conducted by **externally appointed auditors** ensuring the Combined Authority operates a robust financial management and reporting framework, including in relation to the LEP.

The Combined Authority's **internal audit** function carries out independent and objective appraisals of relevant systems and processes, including ensuring that effective procedures are in place to investigate promptly any alleged fraud or irregularity. The Combined Authority's internal auditors provide assurances to the Combined Authority (through its audit committee, the Section 73 Chief Finance Officer) and to the LEP.

The Combined Authority's financial regulations set out further detail in relation to the Combined Authority's audit arrangements (found [here](#)).

3.8 Scrutiny

To secure independent and external scrutiny of decisions, the Combined Authority's statutory Overview and Scrutiny Committee reviews and scrutinises decision-making by the LEP and by the Combined Authority (including in its role as accountable body for the LEP).

No member of the Combined Authority or the LEP may be appointed to the Committee. The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found [here](#).

The committee operates in accordance with the Scrutiny Standing Orders, which can be found [here](#). These provide for the committee to require any member of the Combined Authority (including the LEP Member or a Chair of any committee or Panel) to attend to answer questions or provide information.

3.9 Codes of Conduct

The LEP is committed to ensuring that LEP Board members and officers demonstrate the highest standards of conduct, and act solely in the public interest.

All LEP Board members are subject to a LEP Board Members' Code of Conduct [here](#) which reflects the Nolan Principles of public life:

- 1) Selflessness
- 2) Integrity
- 3) Objectivity
- 4) Accountability
- 5) Openness
- 6) Honesty
- 7) Leadership

The LEP Board Code of Conduct also requires LEP Board members to declare and register:

- acceptance or receipt of an offer of a gift or hospitality
- specific pecuniary and non-pecuniary interests

A register of the interests disclosed by each LEP Board member is accessible from the LEP website and published on the Combined Authority website. The Code sets out comprehensive requirements in relation to declaring interests at meetings, and the circumstances in which a conflict of interest will preclude a LEP Board member from participating in decision-making.

At the beginning of each meeting, all members present are asked to declare any potential conflict of interest. These declarations are minuted.

The LEP has also approved arrangements under which allegations that the Code of Conduct has been breached can be investigated and for making decisions on such allegations. These can be found [here](#).

There are statutory provisions that require the Combined Authority to adopt a Code of Conduct for its Members and voting constituent and non-constituent Members, including those on panels appointed by the Combined Authority. The Code sets out the conduct expected of members, including procedures for declaring and registering:

- acceptance or receipt of a gift or hospitality
- disclosable pecuniary interests, which are defined by the code

The Code is publicly available [here](#).

Failing to comply with requirements for registering and disclosing pecuniary interest may be a criminal offence.

Members' interests are publicly available on the Combined Authority website through each of the Committee home pages [here](#).

The Combined Authority has also approved arrangements under which allegations that the Code has been breached can be investigated and for making decisions on such allegations. This can be found [here](#).

The Combined Authority has also adopted a Code of Conduct for Officers, which also reflects the Nolan Principles of public life and requires officers to register personal and prejudicial interests. Officers also need to comply with a Gifts and Hospitality policy. Failure to comply with the Code may lead to disciplinary action.

Senior officers and other officers involved in advising on LEP decisions are also required to complete and keep under review a separate LEP Officer register of interests.

3.10 Complaints and whistleblowing

Complaints procedures and whistleblowing policies are in place, to promote accountability.

The Leeds City Region LEP has adopted a confidential complaints procedure, which can be found [here](#). The Combined Authority will also consider any complaints received in accordance with its agreed complaints procedure, which can be found [here](#).

Any complaints about the LEP will be dealt with in accordance with the approved complaints process.

The LEP has adopted a whistleblowing policy, which can be found [here](#). The Combined Authority has also adopted a whistleblowing policy, which can be found [here](#), to investigate and resolve any case where it is alleged by stakeholders, members of the public or internal whistle-blowers that the Combined Authority is acting in breach of the law, failing to adhere to the framework or failing to safeguard public funds.

3.11 West Yorkshire Combined Authority resources and capabilities

The Combined Authority has a scale of staff resource with the necessary key functions to enable it to:

- manage the process, including supporting business case development
- carry out programme and project appraisal
- co-ordinate and manage the decision process (e.g. time of meetings and associated paperwork)
- oversee the delivery, monitoring and evaluation of schemes (e.g. benefits realisation management, financial and resource management, risk)

The Combined Authority draws on external expertise and technical support such as financial, economic, property, legal and evaluation advice, for example through consultancy frameworks or from partner organisations including Homes England, local authorities, Skills Funding Agency and others.

4. LOCAL ENGAGEMENT AND PARTNERSHIP WORKING

4.1 Local Engagement

Engagement with stakeholders and the wider public is regarded as a central part of the process to develop, monitor and implement the SEP, the Growth Deal and all other aspects of the work of the Combined Authority and the LEP.

To support this process we have developed a set of consultation and engagement protocols and our Consultation and Engagement team work with colleagues to ensure these principles are applied in any consultation and engagement activities that are undertaken. As well as carrying out insightful, robust, consultation and engagement activities we must also adhere to any relevant legislation. We also encourage our partners to adhere to these protocols where possible.

We are committed to ensuring that our engagement with stakeholders and the wider public is as inclusive as possible. We will ensure that:

- Stakeholders and members of the public are aware of our approach to consultation and activities;
- Stakeholders and members of the public are able to have their say on proposals when they are still at a formative stage;
- Consultation is open, transparent and accessible;
- The consultation process is well planned, managed and coordinated and achieves value for money;
- Consultation is effective, meaningful and of a consistently high quality; and
- Consultation feedback is properly considered and outcomes are reported in a timely way.

To support any face-to-face engagement we do, we have also developed a digital engagement hub ([yourvoice](#)) that enables us to share information and source feedback electronically in a more interactive way. Tools available to use include surveys, Q&A, mapping, polls, forums, guest books, newsfeed, ideas and stories.

We work closely with stakeholders to ensure that they are engaged in all that we do. We provide regular updates to existing panels and committees such as the District consultation sub committees. As part of the LEP's work with business, we have established a Business Communications Group made up of representatives from key business organisations in the City Region. The group plays an active role in supporting business growth in the region by helping to coordinate effective communications between the LEP and the business community. The group also acts as an advisory group to the LEP Board; consulting with their members on barriers to growth and ensuring businesses are at the heart of everything we do.

We have developed a Partnership Strategy and also engage and communicate with partners through a range of channels including social media, press releases,

websites, events and e-newsletters. Social media has been used particularly effectively for informal engagement on policy and project development.

We continually look for new methods to engage with key stakeholders, businesses and the public and will continue to measure effectiveness and share lessons learnt.

4.2 Arrangements for collaborative cross-LEP working

The LEP is committed to collaborating across boundaries, where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives. This helps to ensure a more efficient use of resources and secure a better outcome than operating in isolation.

There are a number of areas where the LEP works closely and interfaces with neighbouring and other regional LEPs. These include:

- Regular meetings (currently monthly) of the NP11 group of pan-Northern LEPs – at LEP Chair and Director level
- Active participant of the LEP Network at Chair, Director and operational levels to share best practice and influence policy design
- Officers from neighbouring Yorkshire LEPs meet regularly to discuss approaches to business support (including the Northern Powerhouse Growth Hub Network), Brexit, energy, and work on the LEP Review
- Yorkshire Hubs collaborated on the Northern Powerhouse Investment Fund, including regular meetings to determine contributions from their ESIF allocations
- through Transport for the North, where there is a significant degree of cross-LEP collaboration, from the Partnership Board through to officer working group meetings around Northern Powerhouse Rail, Strategic Transport Plan and Roads Strategy
- core Cities forums, which take place 4 times a year, covering a wider spectrum of national policy issues
- the LEP is also invited to attend the Sheffield Combined Authority as an observer, given the close links between the two functional economies

The LEP receives a report each year on the collaboration that has taken place and the opportunities for further collaboration.

4.3 How growth priorities are supported by collaboration and joint delivery

The Combined Authority works collaboratively with a range of partners. Some examples of this are provided below.

The LEP delivery of **Skills Capital** allows for greater coherence and understanding in the way that further education providers across the City Region are aligning curriculum offers to reflect the skills requirements set out in the Leeds City Region SEP and skills strategy. The Employment & Skills Panel (see table 2.2 for further information about this Panel) review conditions for the grant programme to address gaps in skills provision and to hold an overview of future revenue allocations. Collaboration with partners supports the understanding of employment opportunities

in the region to maximise Gross Value Added (GVA). It encourages improved collaboration between colleges and employers so that new curriculums are more aligned to employer needs.

LEP Growth Service is a 'hub and spoke' collaboration with local authorities, universities and private sector business support organisations.

The Combined Authority's **transport strategy and policy teams**, working closely with partner councils, Network Rail and Highways England, operate and run a strategic Land-Use Transport Interaction (LUTI) model which can forecast evidence to support the impacts of investment priorities on employment, housing and GVA. These models are also used to test investment projects and programmes to help sift into priorities and inform their strategic business cases. They are particularly helpful in understanding cross-boundary implications of investment and transport policies.

The **Growth Funded housing and regeneration programme** is developed jointly with public sector partners. Proposals are put forward by either local authorities or organisations working closely with the Combined Authority's strategic partners. These proposals are developed into business cases through close collaboration with the Combined Authority and in some cases joint due diligence with other agencies. In many instances projects may have multiple funding streams, with some of these coming from the public sector. When this occurs, a joint approach towards delivery is developed whenever possible. The Place Panel (including representatives from local authorities, private sector representatives, Homes England (previously Homes and Communities Agency) and the National Housing Federation) brings together organisations with a common interest in delivering infrastructure, homes and jobs and makes recommendations to ensure a strategic approach to the delivery of these outputs, especially where this involves the use of public sector assets.

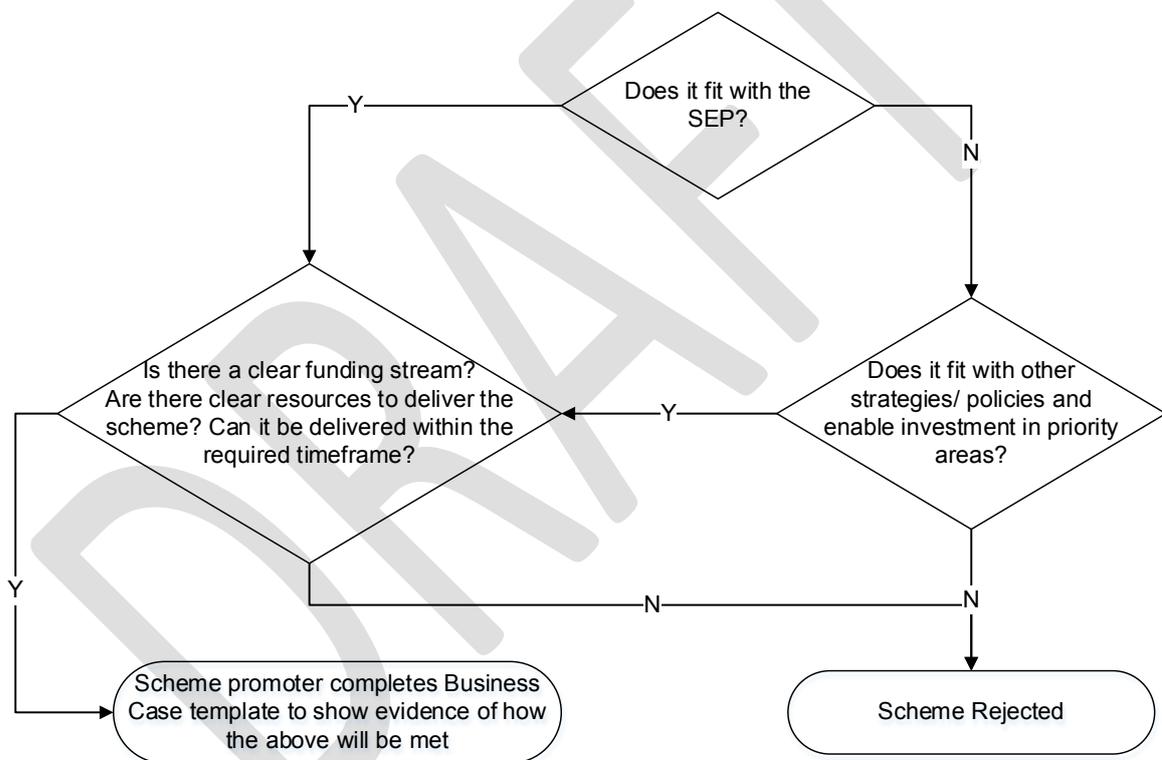
5. APPROACH TO PRIORITISATION

5.1 Introduction

The approach for identifying and prioritising those programmes and projects that are most likely to provide value for money, maximise economic benefits and deliver against the Leeds City Region SEP's vision and strategic priorities, is set out in the following sections.

5.2 Identifying candidate schemes

Local partners, the Policy and Strategy Directorate and the LEP will largely be responsible for identifying and developing candidate schemes for inclusion in the project process. To assist the identification of schemes, a number of guiding principles are used:



Scheme promoters are required to submit evidence on standard West Yorkshire Combined Authority Business Case templates which have been designed in line with HM Treasury five cases guidelines, and designed to capture evidence relating to the guiding principles above.

Calls for proposals

Other avenues for potential schemes to access funding opportunities from the LEP/the Combined Authority could be through funding competitions with specified deadlines for submissions as well as open calls where the LEP/the Combined

Authority will be seeking ongoing Business Case submissions from scheme promoters.

All calls for proposals with specified deadlines, including details of the application and decision process and assessment/eligibility criteria are openly advertised on the LEP/the Combined Authority website and promoted with public sector partners and the business community.

5.3 Methodology for prioritising investment

Once schemes have been identified, the prioritisation of schemes to enter the process (Stage 1) is then critical to the creation of a focused programme of investment across the four priorities of the SEP.

When comparing schemes for prioritisation, they are considered in the context of creating a balance between projects within a programme, in relation to funding opportunities and bids that come forward.

In order to facilitate the prioritisation of schemes in an objective, consistent and transparent way, they are compared on the basis of their potential to deliver on the criteria they were originally identified on, as well as their ability to offer value for money.

5.3.1 Assessment criteria

The Assurance Process will inform decision-making by providing an objective, transparent and rigorous system of appraisal to assess programmes and individual projects objectively. It is a flexible process that can be adapted to the specific nature, scale and scope of the project and/or programme. It sets out how all City Region projects and programmes, whether they are housing, regeneration, transport, low carbon, skills, innovation or anything else that comes to the LEP and the Combined Authority for consideration, will be appraised and evaluated based upon the evidence provided.

The Assurance Process will be applied to the assessment of all projects and programmes funded from Government or local sources that flow through the LEP and the Combined Authority, drawing on national guidance (e.g. Green Book, Treasury five cases, WebTAG and CLG Appraisal Guidance).

The following assessment criteria are used:

- fit with the SEP and other relevant strategies
- clear evidence of the rationale and need (or demand) for the project
- the additional GVA and employment impacts as well as the wider benefits, at the Leeds City Region level
- contributes to our 'good growth' aspirations. This will also now include inclusive growth objectives and Local Inclusive Industrial Strategy (LIIS) once developed
- clearly defined inputs, activities, outputs, and anticipated outcomes and an assessment of additionality of benefits
- proposed delivery timescales

- confirmation that the investment represents value for money and is the preferred option
- clear detail of the financial costs of the proposal and evidence of the need for the LEP/the Combined Authority support and availability of match funding
- the project is deliverable, has robust risk management, delivery and monitoring and evaluation arrangements

Preference will be given to those schemes that:

- deliver 'high' value for money (e.g. a benefit cost ratio or other appropriate value for money (VfM) benchmarks that meets established guidance for the project type being assessed)
- offer the potential to generate a return
- maximise private sector and other public sector investment

It should be noted that there will also be cases when the Combined Authority approves schemes where there is a lower value for money case. This could be where there are convincing wider economic and environmental impacts, where a scheme meets multiple SEP priorities or the scheme is part of programme that has a high overall value for money. There may also be instances where there is a need to invest quickly in conjunction with significant levels of private sector leverage, in order to unlock a major development, or where social value is sought to be maximised (e.g. through the West Yorkshire Plus Transport Fund programme). On occasions projects offering high VfM as well as high risks may be taken forward within the context of a portfolio that has an overall balance of risk.

5.3.2 Tools for estimating economic and wider benefits

All programmes and projects will be expected to have a positive (direct or indirect) impact on growth through job creation, skills improvement, productivity, improved connectivity etc. to ensure that the good growth aspirations articulated in the SEP are realised. Going forward, this will also include inclusive growth aspirations.

Net additional economic output, measured by Gross Value Added (GVA) per pound invested will be used as a key metric for determining whether a project delivers value for money. Other measures of value for money will be used where necessary to provide more information on the richness and scale of the potential impact of projects. Such measures include total cost per job and total GVA per job.

In order to assess GVA and jobs growth, as well as wider economic benefits, both quantitative and qualitative assessment will be required. The LEP/Combined Authority will take into consideration the broader strategic value of proposals, particularly with regard to their potential to deliver increased GVA impact, as well as carbon and wider social benefits (e.g. contribution to the good growth principles set out in the SEP and LIIS once in place), in finally determining whether to approve a scheme.

A range of tools and models will be used to help estimate the wider economic impact of scheme proposals in order to facilitate the prioritisation and decision-making process. These currently include:

- **The Regional Econometric Model (REM)** - will be used on non-transport schemes to help determine their net additional employment and net additional GVA impact.
- **The Urban Dynamic Model (UDM)** – will be used for transport schemes to understand how employment and GVA growth could be constrained without the proposed transport intervention(s).
- **Skills Value Model** – An in-house approach has also been developed to quantify the impact of skills interventions. The approach allows the estimation of potential increase in earnings attributable to acquiring a new qualification.

The qualitative assessment will seek to consider the strategic importance of the scheme (e.g. an assessment of how the scheme contributes to the priorities and objectives of the SEP). This more qualitative assessment is particularly important for revenue programmes, the direct effects of which are traditionally more difficult to quantify.

The outcomes of the assessment of applications made in response to funding opportunities is reported to the LEP Board, the Combined Authority and the West Yorkshire & York Investment Committee.

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6. ASSURANCE AROUND PROGRAMME & PROJECT DELIVERY

6.1 Introduction

This section sets out how the Assurance Process is used in the development and delivery of all West Yorkshire Combined Authority projects and programme investments.

6.2 Assurance Process

The Assurance Process (set out in Figure 6.1) is a three stage system for project control to deliver value for money in a transparent and accountable way.

Figure 6.1: Overview of the Assurance Process



It has been designed to take all schemes through their project/programme lifecycle, and provides a practical 'step-by-step' framework to aid the development of business cases, to ensure successful delivery and monitoring and evaluation for making key decisions. The Assurance Process is both scalable and proportionate and offers a structured process for appraising, developing, planning, delivering and evaluation that is in line with HM Treasury guidance to deliver best public value.

The Assurance Process is used by the following:

- **project promoters:** it provides a pathway to allow promoters to develop proposals in a way that will give them the best chance of success
- **decision makers:** it is a framework to provide the information they need to take investment decisions and to prioritise between different proposals in a clear and transparent manner
- **partners and the wider public:** to give confidence that there is a clear and transparent framework to appraise and prioritise schemes and to take investment decisions

An important feature of the Assurance Process is its flexibility in that it can be adapted to the specific nature, scale and scope of the project and/or programme. For example, it offers the potential for accelerated decision-making by allowing small scale, less expensive projects to move quickly through the decision points described below.

Programmes that are comprised of multiple projects for their delivery may also be subject to accelerated decision-making. In these instances, the assessment of the cost and benefit information may be at a high level with the programme level business case providing the strategic context for subsequent investments (projects). Following approval to fund the programme, the projects comprising the programme

must be subject to individual business cases. The programme must be approved at decision point 2 (Strategic Outline Business Case - SOBC) before any projects can proceed through the next stages of the Assurance Process.

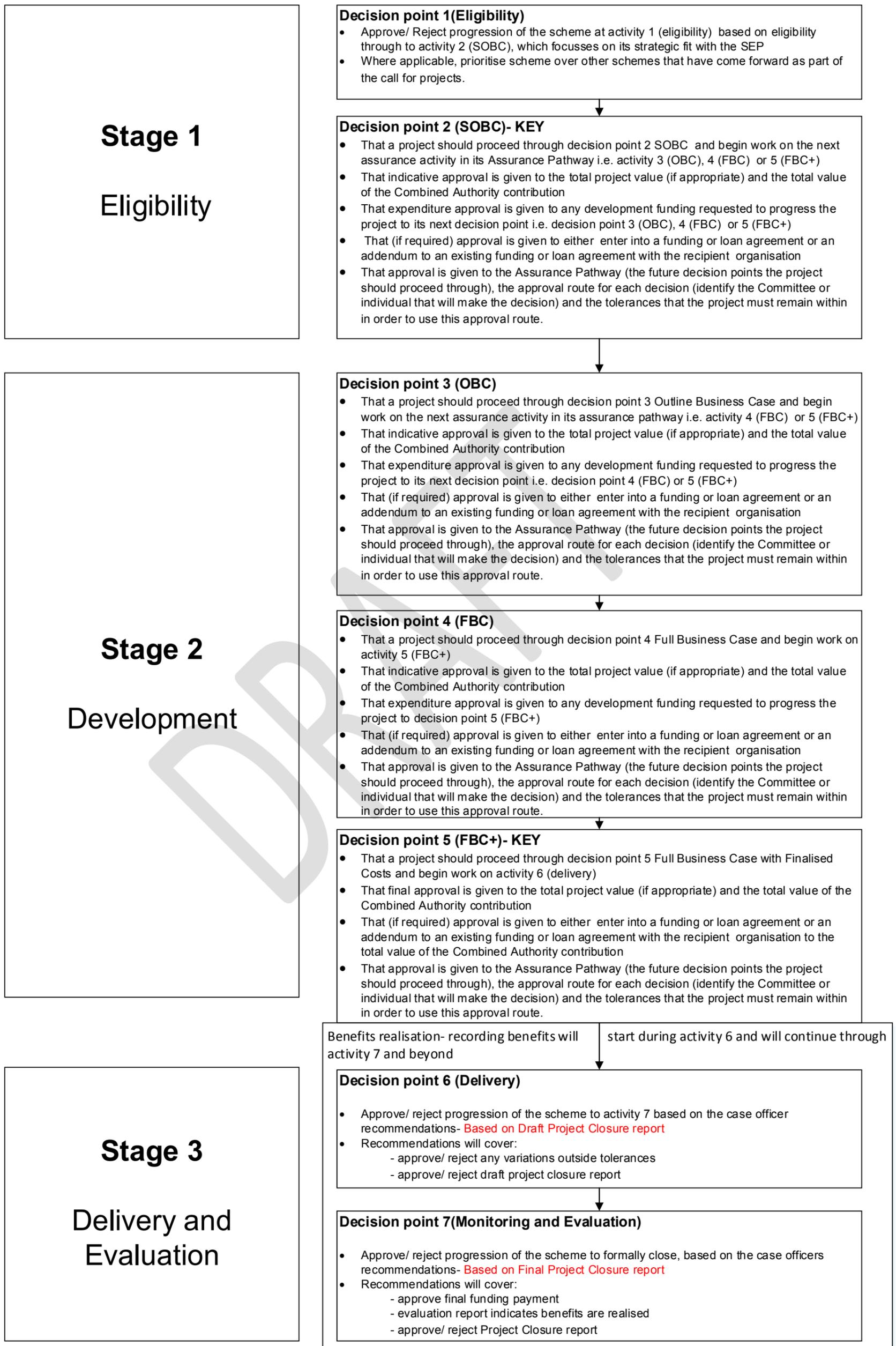
Overview of the Assurance Process

Under each stage outlined above there are a series of activities (7 in total) that need to be carried out in order to progress each scheme. Whilst there are seven possible activities, not all would apply to all schemes and the process and intensity of appraisal applied can be tailored for each scheme depending on its type, scale and complexity, with the appropriate activities applied (e.g. not all schemes will be required to complete an outline business case (decision point 3); they could proceed straight to full business case, decision point 4).

Benefits realisation is considered to be something that runs through all of stage 3 (Delivery and Evaluation). Scheme promoters should be starting to capture benefits as soon as the scheme is being delivered in activity 6 (Delivery), and this will continue through scheme closure and beyond.

At the end of each activity, a scheme is required to go through a decision point. It is here where a scheme is appraised against the HM Treasury 'five cases Model'. As such, project sponsors must demonstrate that a robust, accurate and compelling business case exists at each stage of the process (subject to the assurance pathway and approval route as recommended by the Combined Authority's Programme Appraisal Team (PAT)). All schemes must be approved by the Combined Authority at decision point 2 (SOBC). Further information can be found in Figure 6.2.

Figure 6.2: The Assurance Process (TO BE UPDATED)



6.3 Business case requirements at each stage of the Assurance Process

A key objective of the Assurance Framework is to support the Combined Authority in assessing whether potential investments offer good value for money and have the capacity to generate and deliver the growth objectives set out in the SEP or specific objectives relevant to a funding stream or other strategic objectives.

Along with the focus of the business case changing as a scheme progresses through the Assurance Process, the focus of the business case appraisal is structured around a series of key appraisal questions which enable the appraiser to review and test the evidence presented in the business case across the 'five cases'. Project promoters are made aware of the key appraisal questions in order to guide the presentation of evidence in the business case.

All projects will undergo a 'five cases' assessment, in line with the Treasury Green Book, to ensure a project demonstrates that the outcomes and outputs are deliverable, that the associated business case is a sound one and that the scheme represents value for money. This process has recently been modified to align with Green Book principles.

The following business case templates will be completed by projects during stages 1 (Eligibility) and 2 (SOBC) of the Assurance Process.

Stage 1: Eligibility

As part of activity 1 (Eligibility) of the assurance process, the promoter is required to complete an eligibility form. For the majority of schemes, this will be completed in the initial stages of scheme development to enable early testing of the scheme with the Combined Authority. At this stage the scheme information will consist of the challenge which the scheme seeks to address and a high level identification of the possible strategic responses that could be implemented to address the challenge [CT1] (rather than a specified single option). The eligibility form has a number of purposes:

- To provide the Combined Authority with information on a scheme proposal.
- To identify the potential for the scheme to deliver against the Combined Authority's Policies, Strategies, Plans, Targets and Indicators (its strategic fit).
- To provide a high level range of costs and programme timescales.

The Eligibility Form will be considered by a panel of the Combined Authority's Policy and Delivery officers (not PAT). They will determine:

- If the scheme is eligible for Combined Authority funding.
- If the scheme has sufficient strategic fit to proceed to activity 2 (SOBC) and if there is potential for a greater level of strategic fit through the consideration of a wider range of options.
- Based on the high level cost and programme provided what level of funding contribution can be made to the scheme based on the funding streams the Combined Authority will have available to it at the relevant time.
- Any recommended conditions that will need to be fulfilled during activity 2.

If the panel assess that the scheme sufficiently meets the eligibility criteria above it will be recommended to the Director of Delivery for approval to proceed to activity 2 (SOBC) of the assurance process. Any schemes which are not recommended for approval will be referred to the Programme Appraisal Team for further guidance.

Approval at decision point 1 (Eligibility) provides promoters with assurance that the scheme is determined to be eligible for Combined Authority funding and it is a worthwhile investment for the Promoter to commit resources to the further development of the scheme. Decision point 1 approval does not guarantee that a funding allocation will be made for the scheme within the Combined Authority's portfolio, this decision would instead be made at decision point 2 in most instances.

Following progression through decision point 1 (Eligibility), all schemes will progress to activity 2 and the promoter will then be required to complete a SOBC. The SOBC will provide evidence of how the scheme performs against each of the Treasury's five cases (strategic, commercial, financial, economic & management) but will place most focus on the strategic case for the scheme and the initial economic appraisal. In line with the HM Treasury's Green Book guidance, this will involve the appraisal of the long list of potential options, in order to select a "preferred way forward". The preferred way forward will encompass a short list of selected options, which will ultimately be assessed as part of activity 3 (outline business case - OBC). Each option identified as part of the preferred way forward will have a high level cost, programme and benefit forecast and will clearly demonstrate why that option has been selected over and above other options identified as part of the long list process.

In advance of the SOBC being submitted to the Combined Authority, a case officer will be assigned and briefed on the scheme. Once the SOBC is received by the Combined Authority the case officer will undertake the SOBC appraisal. This appraisal will determine and recommend whether a scheme proposal proceeds through decision point 2 (SOBC) into Stage 2 (Development) of the assurance process and is invited to prepare a Business Case – outline or full – depending on the agreed pathway. The SOBC appraisal will assess the scheme's potential to deliver economic benefits and assess the scheme's deliverability, and is focussed on the strength of the strategic case. The case officer may require additional information to the SOBC in order to complete their appraisal.

A summary of the criteria used to aid the stage 1 (Eligibility) assessment and prioritise and select those schemes that will progress to stage 2 (Development) are set out in Table 6.1 below.

Table 6.1: Overview of the Stage 1 assessment criteria

Criteria	Description
Strategic Case	<ul style="list-style-type: none"> • Has the challenge and the resulting scheme been clearly defined? • Is it clear why LEP or Combined Authority investment is needed and what it will be used for? • Does the scheme have a clear alignment to the Combined Authority’s Strategic Priorities, Headline Initiatives and funding source? • Will the project contribute to the Local Enterprise Partnership’s and Combined Authority’s targets and indicators either directly or indirectly? • Does the scheme meet the ‘good growth’ or ‘inclusive growth’ principles? • Is there a clear rationale/need/market failure case for investment? • Have the scheme objectives been clearly set out?
Commercial Case	<ul style="list-style-type: none"> • Has evidence of need/demand for the project been identified? • Is the market for the project clearly understood? • Does the project unlock other downstream investments? • Has the scheme considered how it will procure the solution?
Economic Case	<ul style="list-style-type: none"> • What potential does the project/programme have to deliver economic benefits/growth e.g. through jobs, unlocking sites, skills uplift, etc.? • Do projected outputs and outcomes appear realistic/achievable? • Has the project/programme undertaken an options appraisal which has defined a preferred way forward? • Where appropriate has strategic and economic modelling been used to carry out an initial test of a project to identify a GVA/£ ratio e.g. Urban Dynamic Model (UDM) or the Regional Econometric Model (REM) • Does the project appear to offer the potential of reasonable value for money and where possible has this been presented in the form of a benefits cost ratio for each of the options shortlisted in the preferred way forward • Does the scheme have a Benefits Register?

Financial Case	<ul style="list-style-type: none"> • Is the amount and timing of LEP or Combined Authority investment and match funding clearly set out for each short-listed option in the preferred way forward? • Has the loan first principle been considered? • Has other funding been confirmed or is there a clear timescale for confirmation? • Is there a proposal for the Combined Authority to achieve any financial return through the project? • How are the scheme costs made up? Are they robust and realistic?
Management Case	<ul style="list-style-type: none"> • How will the scheme be managed, are the appropriate arrangements in place / outlined. How 'delivery ready' is the project? • Are delivery timescales clearly indicated and are they realistic? E.g. A high level development and delivery timetable identifying any potential barriers or constraints (e.g. planning, legal, land ownership issues). • What are the main risks facing this scheme? • How will the scheme be managed, are the appropriate arrangements in place / outlined. How 'delivery ready' is the project? How will the scheme be managed, are the appropriate arrangements in place / outlined. • Is there a Risk Register and/or Risk Plan? • Are there any potential barriers/constraints to the scheme that will impact on delivery? • Has an initial assessment of any potential State Aid implications been undertaken? • Are there any linkages/Interdependencies with other schemes that could affect delivery • Is the appropriate project / programme management documentation in place? • Have the appropriate supporting technical studies been undertaken? • Has the promoter demonstrated any lessons learnt?
Other criteria (if applicable)	<ul style="list-style-type: none"> • For transport schemes this could include modelling to predict changes in carbon emissions, accidents, mode splits and impacts at different geographies including deprived communities.

Stage 2: Development

The Business Case template uses a detailed ‘five cases’ assessment of the scheme that demonstrates that the outcomes and outputs are deliverable, that the associated business case is a sound one and that the scheme represents value for money.

At this stage the Business Case template seeks to build on the evidence presented in the SOBC in order to present the full details of the scheme across the ‘five cases’ model.

Table 6.2: Stage 2 assessment criteria

Criteria	Description
Strategic Case appraisal	<ul style="list-style-type: none"> • Does the project clearly set out the strategic drivers for this investment? • Does the project contribute to the achievement of the Leeds City Region’s Strategic Economic Plan • Does the project link to other activity being delivered either within the City Region or nationally? • Does the project meet other national, sub-regional and local strategies and policies? • Does the project set out why LEP or Combined Authority funding is required in order to be undertaken? • Has the project undertaken any engagement/consultation with key stakeholders and beneficiaries affected by the scheme? • Does the project clearly set out its objectives? • Does the project clearly set out the key activities to be funded?
Commercial Case appraisal	<ul style="list-style-type: none"> • Has the project provided evidence to support the market demand justification for this project? • Has the project provided evidence to support the projected take-up by the market? • Does the project have a preferred procurement strategy/approach? • Has the project considered risk allocation and transfer?
Economic Case appraisal	<p><u>All Projects:</u></p> <ul style="list-style-type: none"> • What long list of options have been considered? • What critical success factors (CSF) have been used to evaluate the long list of options? • How has the long list of options been appraised? • What is the short list of options? • How has the short list of options been appraised? • How does the scheme contribute to the SEP Headline Indicators • What methodologies have been used to calculate the monetised benefits? • What methodologies have been used to calculate the monetised costs? • How is uncertainty in the appraisal dealt with? • Does the project identify any wider benefits?

Criteria	Description
	<ul style="list-style-type: none"> • Does the project identify any low carbon and environmental benefits • What is the scheme value for money position? • Is the preferred option clearly defined? <p><u>Additional assessment criteria for transport projects:</u></p> <ul style="list-style-type: none"> • What methodologies have been used for modelling and appraisal of the scheme? • What transport model(s) have been used for the scheme appraisal? • What forecasting methodologies have been used for the scheme appraisal? • How has the impact of the scheme on travel demand and behaviour been incorporated? • How is uncertainty in the appraisal dealt with? • How the scheme impacts across different social groups? • Does the project have an Appraisal Summary Table? • Does the project have a Transport Economic Efficiency Table? • Does the project have an Analysis of Monetised Costs and Benefits Table? • Does the project have a Public Accounts Table?
Financial Case appraisal	<ul style="list-style-type: none"> • Has the project got a calculated outturn capital cost? • Has the project got a clear cash flow and funding profile? • Does the project have any revenue, ongoing/operational costs associated with it? • Does the project have any other funding sources? • Have the main financial risks been identified? • Has the project addressed how will cost overruns would be dealt with? • Does the project offer any potential to generate a commercial return to pay back funding? • Does the project have any State Aid issues to address? • Is the Combined Authority funding a loan?
Management Case appraisal	<ul style="list-style-type: none"> • Does the project have a clear delivery plan? • Is there more than one delivery partner involved in the delivery of this project? • Does the project have a clear programme? • Has the project set out any delivery constraints? • Does the project have an adopted approach towards risk management? • Has the project completed a Quantified Risk Assessment (QRA)? • Does the project have a Communications Strategy? • Does the project have a Benefits Realisation Plan?

The Business Case appraisal is effectively a risk-based appraisal that is designed to enable the Case Officer to test and report on key scheme risks across the five cases. This ensures that decision-makers at any level of delegation fully understand scheme risks, particularly in terms of benefits realisation, financial outcomes and value for money. It provides the basis on which any conditions precedent for a funding agreement can be proposed.

Business Cases are rated against an appraisal framework and each of the five cases is given a RAG (red, amber, green) rating based on the response to the key appraisal questions as follows:

RED	Does not adequately address one or more of the key assessment questions
AMBER	Addresses all of the key assessment questions but specific issues may require further consideration or action
GREEN	Presents a clear and comprehensive response to the key assessment questions

The main findings in respect of the five cases are then brought together into a single assessment summary and an overall scheme RAG rating. It is anticipated that schemes receiving an overall red rating may require the applicant to provide extensive additional information prior to subsequent reappraisal. Schemes receiving an overall amber rating may require special conditions (or conditions precedent) to be included in any subsequent grant agreement between the applicant and the accountable body or require resolution in advance of next decision point.

6.3.2 Assessment of economic impact & value for money

A range of tool-kits and approaches are used to demonstrate the wider economic benefits and value for money in order to prioritise and assess the overall Business Case for a scheme. In line with recognised VfM guidance, the assessment will consider:

- **Economy:** Minimising the cost of resources used
- **Efficiency:** The relationship between the output from goods or services and the resources to produce them
- **Effectiveness:** The relationship between the intended and actual results of public spending (outcomes and meeting objectives)

As set out in the LEP National Local Growth Assurance Framework guidance, the methodology used to assess VfM will be in line with the established guidance prescribed by the relevant government department:

Table 6.3: Methodology to assess value for money

Transport	The standard against which the Combined Authority will assess the robustness of the economic case of transport projects with a capital cost in excess of £5 million will be the established WebTAG methodology.
Housing	The appraisal will draw on advice and guidance from the HE alongside MHCLG’s appraisal guide for residential and non-residential development.
Enterprise, business support and Innovation	These projects will need to demonstrate ability to deliver VfM through evidence-based Business Cases aligned with HM Treasury Green Book guidance, with a commitment to publishing results to add to the evidence base on what works and contribution to local and national policy goals and growth.
Skills Capital	The Appraisal will continue to draw on Skills Funding Agency guidance
Regeneration	Projects will be in line with the National Planning Policy Framework and the Planning Practice Guidance. For projects beyond housing and transport interventions, for example, enabling works, land assembly, utilities and/or public realm projects, the MHCLG appraisal guide will be used in helping to appraise their costs and benefits.

The approach adopted for the appraisal of a scheme will be proportionate to the scale and risk of the proposal. Some **investment appraisal techniques** used are:

Table 6.4: Investment appraisal techniques

Cost Benefit Analysis	This calculates the costs and benefits for each year covered by the proposal and other shortlisted options (including the do-nothing/ do minimum ‘counterfactual’ position), which are then summed to produce a net figure for each year.
Net Present Value	This calculates the difference between the present value of cash inflows and the present value of cash outflows. Investments with a positive net present value will be acceptable.
Accounting Rate of Return	This compares the profit that is expected to be made from an investment to the amount that is needed to invest.
Internal Rate of Return	This measures the profitability of potential investments and allows schemes to be ranked by their overall rates of return rather than their present net values.
Payback Method	This calculates how long a scheme will take to pay back the money spent on it based on expected cash flows.

Latest guidance on Land Value Update to be added

Wider economic impact assessment

In order to generate a prioritised shortlist of schemes, a wider economic impact assessment will be undertaken which uses a range of tools and models. The Assurance Process draws on a line of nationally recognised value for money benchmarks relevant to the type of scheme under review for example:

- WebTAG for the appraisal of transport scheme
- HE Additionality Guidance and other appropriate sources, including MHCLG Appraisal Guidance for housing and regeneration schemes
- evaluation evidence produced by the What Works Centre for Local Economic Growth

Other measures of value for money will be used where necessary to provide more information on the richness and scale of the potential impact of schemes. Such measures include:

- total cost per job
- total GVA per job
- cost benefit ratio
- grant per job

The adopted approach also aims to provide a 'level playing field' between the wide-range of intervention types that are being considered across the four strategic priorities of the SEP. This, in conjunction with consideration of inclusive growth, allows the LEP and the Combined Authority to maximise the employment and productivity outcomes from available funding, as well as the geographical spread of these benefits.

6.3.3 Compliance with DfT's WebTAG guidance

All transport schemes will be subjected to the minimum requirements on modelling and appraisal, Value for Money (VfM) statement, assurance and evaluation as set out in the National Assurance Framework Guidance (LEP and Single Pot).

The modelling and appraisal work will be scrutinised to ensure it has been developed in accordance with WebTAG, is robust, and is fit for purpose. A mix of both internal and external resources (partner, local authorities and independent consultants) in the form of a peer review panel will be used, so that appropriate and independent recommendations can be provided to decision makers. Opinion from DfT may be sought for high value or contested schemes. Responsibility for quality assurance of the assessment and scrutiny will rest with the Combined Authority's Head of Feasibility and Assurance.

An Appraisal Specification Report (ASR) should be developed by the scheme promoter at the start of stage 2 (development) and agreed with the Combined Authority, which sets out how the scheme will be appraised. An Appraisal Summary Table (AST) and VfM Statement will be produced by following WebTAG and DfT's VfM guidance. A VfM Statement will be produced for decision makers summarising the conclusions from VfM assessment taking into consideration whether benefits

outweigh the costs whilst identifying key risks and sensitivities that may affect the VfM conclusion. The statement will be prepared by the scheme promoter.

To maintain VfM for major transport investments from public funds, the Combined Authority is committed to approve schemes with a final VfM of 'High' or above. In exceptional circumstances any scheme with a VfM category lower than 'High' may be approved. An example of such a transport scheme could be one which unlocks a major development site or a scheme which can be directly attributed to job creation and/or GVA growth, and the justification will be set out in reports, seeking approval from the boards. Additionally, a transport scheme may have a low BCR, but is part of a programme that can evidence a 'high' BCR as a minimum. Some schemes may have a low BCR right through to FBC (decision point 4). When this is the case, a condition will be put on the scheme that final approval is subject to a satisfactory BCR being evidenced.

6.3.4 Appraisal proportionality

The level of appraisal will be proportionate to the nature, scale and scope of each project and/or programme. For example, **where a scheme carries greater risk and/or is more complex, the intensity of the appraisal will reflect this.** This is not simply a matter of the financial scale of a project, but will also need to take account of how the project is structured, its processes and dependencies. The capital-intensive nature of transport projects and the accompanying high costs mean that transport schemes will have different financial thresholds in terms of how they are treated.

Evidence will be provided to the PAT around factors of project complexity to inform the decision around the level of appraisal requirement. This should be set out in the agreed Appraisal Specification Report (ASR). Usually, where a project is multi-faceted and the elements are easily separable, proportionality will be based on the proposed costs of the various elements.

6.3.5 Who will undertake the appraisal of projects?

Programme Appraisal Team (PAT)

The Programme Appraisal Team (PAT) is comprised of West Yorkshire Combined Authority officers who oversee the Assurance Process as projects/programmes progress through it.

The PAT is an internal assurance group and has no formal approval making powers. The PAT make recommendations, which are then reported through the current West Yorkshire Combined Authority governance arrangements for a formal decision.

The PAT consists of a core membership representing West Yorkshire Combined Authority programme delivery, feasibility and assurance, policy, economic, legal, and financial functions. Attendance at PAT meetings is supplemented by case officers, independent technical advisers, peer group representatives (including representatives from partner councils and/or third party private businesses) and other attendees as required to supplement the decision making process.

The PAT terms of reference are attached in Appendix 6.

West Yorkshire Combined Authority appraisal function

The responsibility for appraisal of projects sits with the Director of Delivery. Each scheme will be assigned a case officer when it enters the Assurance Process. The case officer is a West Yorkshire Combined Authority officer, and will be responsible for carrying out the appraisal of a scheme. This may be done using their own expertise, or where necessary bringing together expertise from within the Combined Authority or from external advisors and partners. This may cover financial, transport, economic, property, legal matters and experience of the relevant priority areas of the SEP. The case officer will have an appropriate degree of impartiality from the scheme.

As part of the appraisal process, a review meeting may be held with the promoter, to discuss any key issues arising from the ongoing appraisal. This meeting could be multi-disciplinary, and involve external resource as appropriate (e.g. for West Yorkshire Combined Authority projects to demonstrate impartiality, or where specific knowledge and skills are required and which don't exist internally). Wider independent advice may also be sought in some cases, including liaison with DfT and HMT economists.

There will be a clear separation between the appraisal function and the project sponsor/promoter. This means that staff carrying out appraisal will not be involved in advising on project and business case development activity.

Following each assessment of a project, a template will be completed by the case officer that reports the findings of the appraisal and this will be reviewed by the Programme Appraisal Team (PAT).

The Combined Authority appraisal function and Programme Appraisal Team (PAT) scrutinise and quality assure the process to ensure that the work undertaken is independent of the authority promoting the scheme. The Director of Delivery has overall responsibility for ensuring value for money for all projects and programmes.

6.3.6 When will schemes be assessed?

It is expected that discussions between the scheme promoter and the LEP/Combined Authority will be an ongoing and iterative process.

There will be a number of avenues for potential schemes to access funding opportunities from the LEP/Combined Authority. For example, this could be through funding competitions with specified deadlines for submissions as well as open calls where the LEP/Combined Authority will be seeking ongoing business case submissions from scheme promoters.

All calls for proposals with specified deadlines, including details of the application and investment decision process, will be posted on the LEP/Combined Authority website and promoted with public sector partners and the business community.

A standard timescale for the assessment of business cases at each decision point will be set and communicated to all promoters, however depending on the complexity of the scheme and the quality of information provided within the business

case further time may be required. This will be agreed with the promoters at the earliest appropriate opportunity.

As part of the decision point 2 (SOBC) approval, timescales for the approval of future decision points will be agreed and set out between the promoter and LEP/Combined Authority, the promoter (with support from their key contact in the Combined Authority and the PMO) will then be required to determine the submission and appraisal timescales relevant to each decision point in order to establish a clear picture of what needs to be done next in the development of a scheme.

6.3.7 Reporting of appraisal findings

Approvals Pathway

Schemes will be assessed on a case by case basis, with the approvals pathway set out and agreed by the Combined Authority at Decision Point 2 which best serves the needs of the Combined Authority in carrying out the correct level of assurance, enabling schemes to progress quickly, and enabling the Combined Authority to respond quickly to investment opportunities. There are seven possible approval routes at each Activity.

The key principle is that the PAT will review a scheme at a decision point (with the exception of decision point 1) to check whether the Assurance Process has been applied correctly and assess whether a scheme is eligible to progress to the next activity. The Investment Committee is asked to review the PAT's recommendations early on in the process in advance of the Combined Authority or the Managing Director making any formal approval. This will usually be at decision point 2 (SOBC) at entry into the process for development.

Whilst schemes will by default always be seen by the PAT at each decision point, the PAT also have the option to defer the responsibility for seeing a scheme's business case at decision points as they see fit e.g. LEP Loans may be seen by the PAT at decision point 2 with a SOBC, then come back at decision point 4 with a Full Business Case that will be assessed by the Business Investment Panel instead.

In the case where the situation arises that the PAT agrees to recommend to reject a scheme, it is the role of the PAT to advise Investment Committee of this recommendation – and then for the Investment Committee to recommend to either approve or reject proposals to the decision maker.

Depending on the cost, complexity and risk of a scheme, the Investment Committee may request that a scheme is referred back to the Committee at subsequent decision points for their recommendation to progress along the Assurance Process in advance of decision point 5 (FBC plus finalised costs).

There is also the option for the Investment Committee to recommend to the Combined Authority that further approvals after decision point 2 (SOBC) be delegated to the Investment Committee, or to the Combined Authority Managing Director to facilitate speeding up the delivery of schemes that are considered low cost, less risky and less complex, and which remain within tolerances.

6.3.8 Due diligence assessment

Due diligence is the independent verification of key information and assumptions. The purpose of due diligence is to protect all parties from acting on incorrect or impartial information.

Due diligence may be carried out at any point in the development of a scheme, however it will be formally required as part of activity 5 – finalising costs. Information requirements at this stage will depend upon the nature of the scheme, the findings of the full business case (decision point 4) assessment and any outstanding actions still to be undertaken prior to any funding agreement being approved. The Business Investment Panel has a key advisory role in this process for business grants and loans.

Each case will of course be different depending upon the nature of the scheme, but could include:

- **Lending:** financial standing of delivery body, company ownership and creditworthiness, value of security offered and details of any existing charge, terms of loan including drawdown and repayment, consideration of State Aid
- **Recoverability:** projects need to demonstrate the income from which the loan will be repaid
- **Deliverability and risk:** confirmation that the project is ready to start and a risk management plan is in place
- **Final economic impact/VfM statement:** jobs created, contribution to the City Region economy and other outputs/outcomes such as remediated land, apprentice positions, houses built, private sector deliverability

The Combined Authority will seek to review and potentially strengthen our approach to due diligence, particularly in light of recent wider industry experience.

6.4 Release of funding, cost control and approval conditions

The funding offer will be bespoke to each individual scheme. The arrangements for the draw down and release of funding will be set out initially during Stage 1 (eligibility) and then agreed during Stage 2 (development) of the Assurance Process. Some schemes may also be eligible for the provision of development funding in order to progress the scheme from decision point 2 (SOBC) to decision point 5 (FBC with finalised costs). At the point where funding is released the Combined Authority will enter into a funding agreement with the promoter. The following funding conditions could apply and will be specified in the funding agreement:

- funding to scheme promoters will be capped at the maximum level
- any potential overspend will be escalated by the project sponsor to the Combined Authority. The Combined Authority will consider the appropriate options as part of a change request, which will include a requirement for the business case to be re-worked and presented back to the Combined Authority for further consideration
- the Promoter's Chief Internal Auditor to provide assurance and to certify all expenditure on an annual basis

- the Promoter's Chief Finance Officer to sign off all expenditure on an annual basis
- claw-back provision in place to ensure funding is only to be spent on the specified scheme and that any cost savings achieved on the completed scheme are returned
- The Combined Authority, as the accountable body, will determine the release funding. Advance payments will only be made in exceptional circumstances.
- The Combined Authority may arrange for local audit of schemes to detect any misuse of funds.
- All organisations that receive funding through the West Yorkshire Combined Authority and/or LEP are contractually required to acknowledge our support and that of Government in all communications and marketing activity. This includes use of logos on relevant communications materials, inclusion of specified wording in press releases and development of stories and case studies that showcase the impact of projects. Further information can be found in our Publicity Guidelines that are provided at the outset of the project.

The LEP and Combined Authority will look to recover funding where there has been non-compliance, mis-representation or under performance. Arrangements are in place to elevate concerns, including taking a legal opinion on the likelihood of recovery. When the LEP and Combined Authority decide not to pursue recovery where non-compliance has been identified, and has legal grounds to do so, there must be a compelling justification for such a decision.

Overall, the Combined Authority's internal audit arrangements will sign off all total expenditure as part of the annual audit process.

6.5 Management of contracts

The LEP has implemented a performance management framework across key provider funding agreements, which is aimed at ensuring all key contractual requirements are met. The framework includes regular contract reviews, management information reports, quality and compliance audits and general support to providers in programme delivery.

Currently the LEP Board receives regular updates on the progress across key programmes and projects, which includes risks and issues. More specific supplier performance details for these programmes and projects are currently reported to the Combined Authority's Senior Management Team.

Any contract negotiations that result in material changes will be assessed and dealt with through the standard variation process as determined within the Combined Authority Contract Standing Orders.

7. MONITORING AND BENEFITS REALISATION

7.1 Introduction

The following section sets out the approach to monitoring and benefits realisation, including ongoing reviews of the Assurance Process.

7.2 Scheme Monitoring and Benefits Realisation

Monitoring during development and delivery (Activity 3 (OBC) to 7 (Close and Review) inclusive)

All projects are monitored throughout their progression through the assurance process. In 2018/19 the Combined Authority introduced a web based Portfolio Information Management System (PIMS) to ensure a consistent approach to monitoring and management of all projects. A key benefit of PIMS is that information is available to view by all parties to the project, this helps to ensure the accuracy of the data held.

The system provides the following benefits:

- **Transparency**
 - allows informed and improved decision making
 - provides visibility of project progress
 - provides a full audit trail of project data
 - linkages and dependencies between various projects in the portfolio can be viewed and managed more easily
- **Consistency**
 - provides a robust and automated method of project assurance
 - standardised templates and reports offer robust project controls
 - centralised repository for cost and risk management activities will provide a uniform approach.
- **Efficiency**
 - manual data input and manipulation is retained by the PMO and verified by project sponsors.
 - standardised reports, documents and dashboards enable project teams and stakeholders to concentrate on delivery
 - resource management allows for resource planning ahead of demand
 - the organisation's ability to plan using future project deliverables is increased
 - lessons learnt can be more easily understood and shared between stakeholders
- **Focus on delivery**
 - aggregation of project data can identify trends in advance

- facilitates alignment of projects to corporate strategy
- recommendations and actions to be carried out in a more structured and timely way

Key metrics of information on performance are reported at regular intervals from when a scheme enters Stage 2: Development and include expenditure, progress, outputs and benefits, risks and issues, match funding.

The individual project monitoring information feeds into an overall report for Combined Authority funding, which is reported to the Combined Authority/LEP to enable effective management of all projects and programmes and schemes are being delivered.

All Combined Authority/LEP Board monitoring reports are published on the Combined Authority and LEP websites.

Close and Review (Activity 7) (text still under review)

The purpose of activity 7 is to confirm that a project has met all key requirements and deliverables in accordance with the funding agreement and completed any outstanding compliance requirements highlighted during activity 6 and in the Final Monitoring Report. Also, to capture feedback and lessons learnt to inform the development and delivery of future projects.

The output from activity 6 at decision point 6 is a draft Project Closure Report.

The output from activity 7 at decision point 7 is a Project Closure Report.

Benefits realisation (ongoing through activities 6 and 7) (text still under review)

All projects funded by the Combined Authority and the LEP are required to have an effective benefits realisation plan in place at the end of activity 5, which will form a key aspect of a project's business case. Benefits realisation reporting will be used to assess the effectiveness and impact of investing public funds and the extent to which projects are contributing to the overall objectives of the Combined Authority and the LEP.

Growth Deal monitoring and evaluation strategy

A SEP evaluation strategy is in place and has been used to further assess how well and cost effectively schemes have delivered, and the learning points that have emerged.

The principles behind the evaluation strategy are that it is locally owned, managed and draws on local systems; it will be proportionate and selective (e.g. we will not evaluate everything) and we will work with partner LEPs and government to identify opportunities for thematic evaluations that could be conducted across LEP areas or centrally commissioned.

The strategy, which draws on recognised evaluation techniques and methodologies (e.g. to determine net impact/understand economic impact, etc.), plays an important role in strengthening the evidence base in order to inform the future strategic direction of policy development and assist in the design and delivery of future policy by:

- **Establishing evaluation frameworks with supporting tools and templates:** such as the adoption of agreed indicators and measures, data collection procedures and reporting mechanisms
- **Identifying benefits and impacts:** Establishing the outcomes and impacts of a given project or programme and understanding whether the project under/over performed
- **Demonstrating value for money:** showing that the public funds (e.g. Local Growth Fund, Leeds Public Transport Investment Programme, Growing Places Fund, Regional Growth Fund, Enterprise Zone, etc.) the LEP, the Combined Authority and partners are managing are being used effectively and efficiently and are delivering a positive return on investment
- **Understanding the key lessons learnt:** Exploring what is working well and what is not, including management, content, delivery, recruitment and how far projects or programmes are meeting beneficiaries' needs

The strategy now requires updating, including work on methods/approaches, baselining, data collection, and the need to update the overarching impact framework. It is important to note that the overarching framework will need to incorporate inclusive growth metrics and indicators, to reflect the Local Inclusive Industrial Strategy currently being developed.

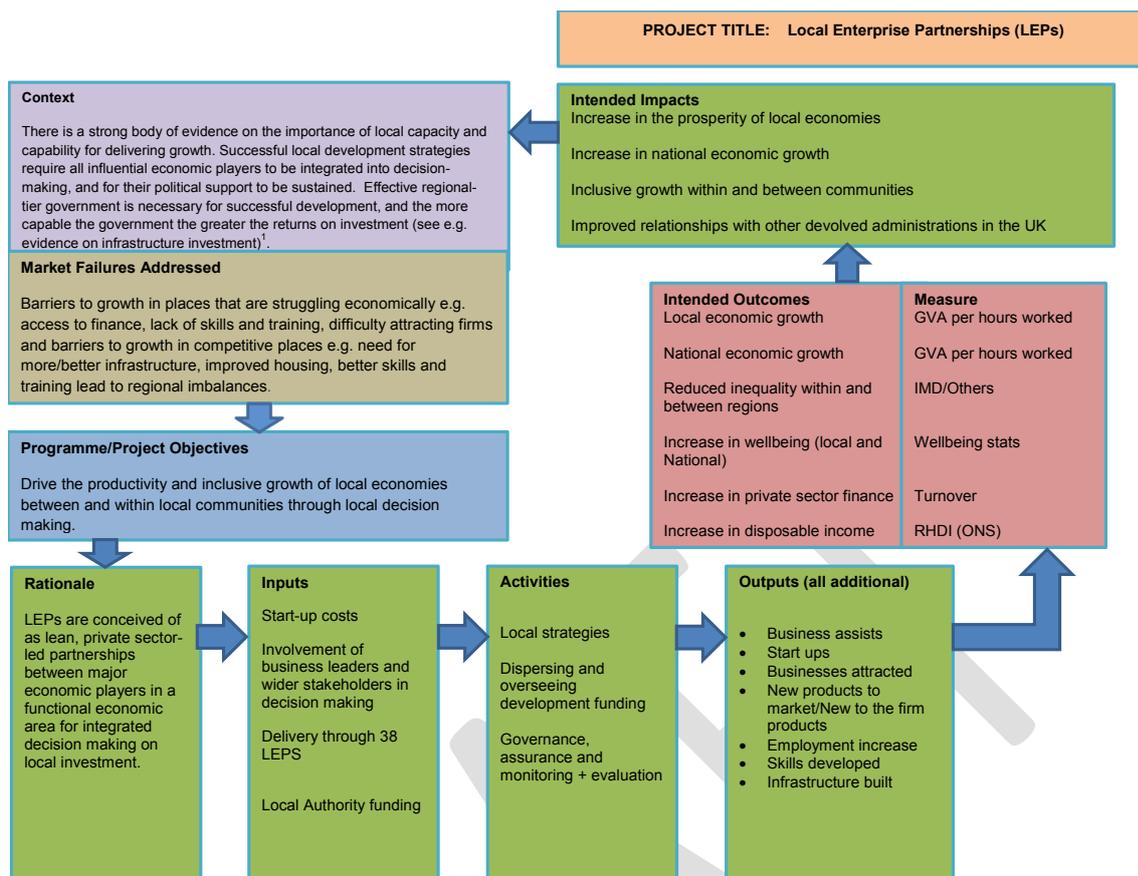
The strategy will be reviewed and updated over the next 6 – 12 months, to include: refinement of the overarching impact framework to incorporate inclusive growth metrics and indicators; a review of evaluation methods/approaches to ensure that they reflect and draw on new guidance on the recommended framework for evaluating local economic growth policies (e.g. [as here](#)); and updating programme/project level evaluation plans for the schemes that are intended to be evaluated under each of the four SEP priorities (including identifying new schemes that may be subject to a local evaluation).

Ahead of the development of the updated strategy we anticipate a much greater focus on the following themes which will shape the requirements for the range, nature and scale of evaluation activity which will be needed to support projects developed under the Leeds City Region assurance framework.

These key themes are likely to focus on:

- **Strengthening our understanding of the impacts, outcomes and additionality of all forms of projects at an early stage in their design to improve the ex-poste evaluation of our interventions.** All project sponsors will be required to adopt a consistent approach to the use of “Logic Models” – this will improve the alignment of the Assurance Framework with MHCLG’s Local Growth Assurance Framework guidance. Logic models represent an essential element of project and programme development and whilst the requirements for the use of logic models will be proportionate to the scale of the intervention we believe that all projects will benefit from this approach. It will allow for a clear focus on those inputs and outcomes that are most relevant to the impact of the project’s objectives.

The logic model framework is set out below:



- **Communicating and synthesising the learning from project evaluation** – the updated strategy will place a greater focus on synthesising consistent messages from project learning across all project types – with these insights flowing directly from the relationships set out in the project logic model. The current project closure documentation will be reviewed to ensure that it is fit for purpose in this context. Greater emphasis will be placed on the structured communication of the outputs from project closure reports through learning and dissemination events and the project closure reports will be designed to shape this messaging.
- **Understanding the wider benefits flowing from Growth Deal interventions** – the updated strategy will more clearly define the relationship between project monitoring, benefits realisation and the net additionality achieved across the wider Leeds City Region geography. The updated strategy in this theme will consolidate and align with the Independent Evaluation of Growth Deal currently being conducting by MHCLG.

Five Year gateway review

As part of the Leeds City Region Growth Deal agreement, the West Yorkshire plus Transport Fund will be subject to five-yearly gateway reviews to assess impact. The Government has indicated that the gateway review will focus on evaluating the progress and performance of the investment fund with economic growth becoming the primary measure for assessing impact.

An independent panel, as agreed with HM Government, has been established to undertake the review. The first gateway review in 2019-20 will determine the availability of future Government payments for 2021-22.

The evaluation component of individual West Yorkshire plus Transport Fund scheme's benefits realisation plans will need to complement the five year gateway review. A local evaluation framework for the Transport Fund has been produced, and evaluation plans have been developed. Delivery of key agreed milestones is now underway.

A review of the overall monitoring and benefits realisation activity forms part of the action plan, and will advise on the development of an overarching monitoring and benefits realisation framework.

7.3 Risk Management (further update ongoing)

Risk is managed in line with HM Treasury 'Orange Book' Guidance on the Principles and Concepts of Risk.

The Combined Authority recognises that effective risk management is an integral part of good corporate governance and as such should be a part of everyday management processes. The Combined Authority is committed to ensuring the robust management of risk and as such a corporate risk management strategy is in place to set out a consistent approach to all risk management activities undertaken throughout the organisation. This includes the Combined Authority's risk appetite statement. The strategy was endorsed by the Governance and Audit Committee in July 2018 and the current version can be found [here](#)

The Portfolio Management Office (PMO) will champion risk management in projects, programmes and portfolios, providing a management lead in these areas and ensuring that appropriate arrangements are maintained. The Head of PMO is has overall responsibility for the identification and management of project, programme and portfolio risk, but the day-to-day coordination of corporate risk management activities is undertaken by the Corporate Planning and Performance Manager and responsibility for management of risk sits with Directors, Heads of Services, and risk owners.

Identification and Assessment of Risk

Full project-level risk analysis and mitigation/contingency plans are required for each scheme as part of the application process and in developing the business case.

Monitoring risk

Funding recipients are required to report headline risks and issues through PIMS.

Programme Managers produce a risk register, which will include escalated project risks. These are reviewed at each of the relevant funding programme management groups and where escalation is required reported to the Portfolio Management Group (PMG).

A strategic risk register with mitigations and responsibilities at portfolio level is also produced and reviewed quarterly by the PMG.

Risks contained within the above mentioned risk registers can also be escalated to the Combined Authority directorate level risk registers or to the Combined Authority's corporate risk register as needed.

Appendix 1 – Accountable Body Arrangements

Agreement between the Leeds City Region Enterprise Partnership and the West Yorkshire Combined Authority

1. Introduction

The LEP is the strategic body responsible for a significant amount of public funding to drive inclusive growth, increase prosperity and improve productivity (“LEP activity”). The LEP works collaboratively and in partnership with the West Yorkshire Combined Authority, as its accountable body (“the Accountable Body”).

2. Accountable Body roles and responsibilities

Underpinning good governance is an expectation of mutual support between the LEP and the Accountable Body. The Accountable Body is responsible for:

- carrying out **finance functions** on behalf of the LEP, and
- **oversight** of the LEP’s financial and governance, transparency and accountability arrangements,
- providing **additional support** as agreed by the LEP.

The LEP has agreed that the Accountable Body’s specific roles and responsibilities are:

a) Finance functions

On behalf of the LEP, the Combined Authority holds, allocates and releases all funding for LEP activity (“LEP funding”) including the Local Growth Fund and, Growing Places Fund.

This includes approving and entering into agreements relating to LEP funding.

The Accountable Body does not use any LEP funding for their own purposes, nor without a clear mandate from the LEP.

The Section 73 Chief Finance Officer shall ensure that appropriate financial statements are provided to the LEP in a timely manner; a separate financial statement for LEP funding is planned for 2018/19.

The Accountable Body is responsible for treasury management and borrowing functions relating to LEP activity and funding.

LEP funding is included in the Accountable Body’s accounts, and the LEP’s web-site links to the Accountable Body’s accounts.

b) Oversight functions

The Accountable Body has oversight of the LEP’s financial and wider governance, transparency and accountability arrangements, including compliance with the Assurance Framework. The Accountable Body through its Section 73 Chief Finance Officer ensures that LEP funding is administered properly, that is, that LEP funding is spent or released:

- in accordance with formal approvals only, and not for unapproved purposes¹¹,
- with propriety and regularity and to deliver value for money,
- subject to the statutory checks and balances which require the Accountable Body to act prudently in spending,
- in accordance with the Assurance Framework and any other relevant procedure, and
- in compliance with any grant requirements and conditions.

The Accountable Body ensures that decisions on LEP funding are:

- reached in line with clear and transparent processes,
- made on merit
- taken in accordance with the Assurance Framework,
- compliant with all legal requirements including relating to State Aid, public procurement, transparency, data protection and the public sector equality duty.

The Accountable Body also promotes the highest standard of conduct by the LEP, LEP Board members and officers, by reference to the seven principles of public life.

Scrutiny

The Combined Authority's statutory Overview and Scrutiny Committee has a key role in securing independent and external scrutiny of LEP activities. The Committee's terms of office reflect that the Committee may make reports or recommendations on any matter considered by the LEP or relating to LEP governance. The Committee may also review or scrutinise any decision made, or other action taken, in connection with any function of the Combined Authority, including in relation to its role as Accountable Body.

The LEP recognises the role of the Combined Authority's statutory Scrutiny Officer in ensuring that the Overview and Scrutiny Committee carries out appropriate scrutiny of LEP Board decision-making and LEP achievements.

The LEP agrees to respond positively to any request to share information with the Committee, so that the Committee has the necessary information to provide robust scrutiny and advice. Any member of the LEP Board, including any private sector representative, may be asked to attend or otherwise contribute to a meeting of the Committee.

The contribution of the LEP to any meeting of the Overview and Scrutiny Committee will be recorded with the outcome in the minutes (published on the Combined Authority's web-site). The LEP will ensure that there is a link from the LEP web-site to the Overview and Scrutiny Committee's published reports and minutes.

Audit

To ensure they have proper processes in place to manage risk, maintain an effective control environment and report on financial and non-financial performance, the LEP utilises the Accountable Body's Governance and Audit Committee, and its internal

¹¹ Including the services of lobbyists

and external auditors to provide assurances in relation to LEP activities, as well as the Section 73 Chief Finance Officer.

The LEP and the Accountable Body (through its Governance and Audit Committee) will agree a risk based internal audit plan for each financial year of LEP and Combined Authority activities, that will provide assurance to the Section 73 Chief Finance Officer and the LEP Board at appropriate points through the financial year.

c) Support functions

The Accountable Body acts as the independent secretariat to the LEP¹², providing the following technical and other support:

- compiling, maintaining and publishing agenda, reports and minutes of meetings in accordance with agreed procedures
- retaining all documentation relating to the Local Growth Fund and other funding sources
- dealing with any request for information, complaint or concern raised in accordance with the appropriate procedure
- appraisal functions as set out in the Assurance Framework,
- legal advice
- recovering funding where there has been non-compliance, misrepresentation or under-performance¹³
- risk management.

3. Section 73 Chief Finance Officer - Resources

The Accountable Body will ensure that the Section 73 Chief Finance Officer is given appropriate resources to carry out their functions in respect of the LEP, including audit. The LEP and the Accountable Body shall keep resource needs under review and consider if they are appropriately met.

4. Non-compliance by the LEP

Any decision of the LEP made in contravention of processes set out in the Assurance Framework will be invalid on the basis of non-compliance, unless the LEP has given prior approval for variation in respect of the LEP's decision-making process.

¹² The Combined Authority is not a constituent member of the LEP, nor does it appoint any representative to the LEP Board. Local authority representatives are appointed in their capacity as district councillors, not members of the Combined Authority.

¹³ The Accountable Body will report to the LEP Board providing information on projects which have received funding, including

- a description of projects where concerns have been identified,
- relevant details including the amount of funding awarded and the sum at risk due to the concerns, and
- where recovery of funds is considered, a legal opinion which sets out the legal basis for recovery and likelihood of success

In the event that the Accountable Body is not able to endorse any decision of the LEP, the Section 73 Chief Finance Officer would refer the matter back to the LEP for re-consideration.

The LEP and the Accountable Body are committed to proactively raising with the Cities and Local Growth Unit any significant instance of non-compliance, non-delivery or mismanagement by the LEP which cannot be resolved locally. Should any such instance arise, the Chief Finance Officer will also report it to the LEP Board and to the Combined Authority's Governance and Audit Committee.

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Appendix 2 – Section 73 Chief Finance Officer – responsibility arrangements

1. Introduction

The Combined Authority must by law¹⁴ make arrangements for the proper administration of its financial affairs and secure that one of its officers has responsibility for the administration of those affairs. This role is carried out by the Combined Authority's Director of Corporate Services, and extends to include the financial affairs of the LEP.

The Chair of the LEP and the LEP's Chief Executive Officer have agreed the following responsibility arrangements with the Section 73 Chief Finance Officer of the West Yorkshire Combined Authority (the Combined Authority), recognising the role of the Section 73 Chief Finance Officer in relation to instilling good and proportionate LEP governance, including the oversight of the proper administration of the LEP's financial affairs.

2. Financial administration

The Section 73 Chief Finance Officer shall be supported by the LEP and the Combined Authority (in its capacity as accountable body for the LEP) to carry out such checks as are necessary to independently ensure the proper administration of financial affairs in the LEP.

The LEP shall act promptly working with the Combined Authority to address any concerns or improper financial administration identified. The Section 73 Chief Finance Officer will report all concerns to the LEP's Chief Executive Officer in the first instance, making recommendations about any improvements required.

The LEP is responsible for ensuring that all concerns are addressed.

The Chief Finance Officer will report any significant concerns directly to the LEP Board, setting out any improvements required. The LEP Board and the Section 73 Chief Finance Officer shall agree an action plan setting out how such concerns are to be addressed. This may include identifying training needs to ensure compliance.

There will be a standing item on the LEP Board agenda reporting on progress on implementing the action plan, until the Section 73 Chief Finance Officer is satisfied that the issue has been resolved.

The Section 73 Chief Finance Officer will notify the Cities and Local Government Unit of any significant concern where

- the concern is about systemic financial problems, repeated non-compliance or fraud, or
- an action plan cannot be agreed, or

¹⁴ Section 73 of the Local Government Act 1985

- in the opinion of the Chief Finance Officer, the LEP Board does not achieve sufficient progress against the action plan.

3. Advice of the Section 73 Chief Finance Officer

The Section 73 Chief Finance Officer shall work with the Chair of the LEP and the LEP's Chief Executive Officer to ensure that procedures are in place to consider the financial implications of decisions before and during the decision making process.

The LEP shall ensure that the Section 73 Chief Finance Officer is given sufficient access to information in order to carry out their role. The Section 73 Chief Finance Officer or their nominee shall be entitled to:

- attend all LEP Board agenda setting meetings.
- have access to all LEP Board documentation (including LEP Board reports before publication),
- comment on any proposed decisions, by
 - recording an opinion on financial implications and an assessment of risk (such as delivery risks and cost overrun risks) in any report to the LEP Board or relevant Panel, and/or
 - attending and speaking at any meeting of the LEP Board¹⁵ or relevant Panel.

Should the LEP Board decide on a course of action which goes against the advice of the Section 73 Chief Finance Officer, the LEP Board must indicate the rationale for their decision, which will be recorded in the minutes of the meeting. However, in the event that the Accountable Body is not able to endorse any decision of the LEP, the Section 73 Chief Finance Officer would refer the matter back to the LEP for re-consideration.

If the role of the Section 73 Chief Finance Officer results in a potential conflict of interest, impartial advice should be sought by the LEP's Chief Executive Officer to ensure transparency.

4. Risk management

The LEP has agreed that the Combined Authority through the Section 73 Chief Finance Officer, manages risks on the LEP's behalf. The risk appetite of the LEP is understood by both the LEP Board and the Section 73 Chief Finance Officer.

The Section 73 Chief Finance Officer ensures that the Combined Authority's risk management strategy addresses

- risks arising in relation to LEP activity
- the process for the LEP Board to oversee risk and the escalation of risk analysis and risk management requirements within the LEP¹⁶

¹⁵ See further LEP Procedure Rules. The Section 73 Chief Finance Officer is not a member of the LEP Board and does not vote.

¹⁶ Drafting Note - Risk management Strategy to be reviewed to ensure fully reflects this requirement

At the beginning of the financial year, the LEP and the Section 73 Chief Finance Officer will agree the budget risks facing the LEP. These will be kept under review by the Section 73 Chief Finance Officer throughout the year, who will report any significant issues to the LEP Board.

5. Audit

The LEP and Combined Authority have agreed audit arrangements as set out in the Assurance Framework and Appendix 1. The Section 73 Chief Finance Officer and the LEP's Chief Executive Officer shall report to the LEP Board on any completed audit by internal or external auditors where any recommendations relate to the LEP, and provide a copy to the Cities and Local Growth Unit as appropriate.

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Appendix 3 – Governance Structures

LEP Board

Membership

A majority of the members of the LEP Board must be private sector representatives.

The LEP's Constitution [here](#) sets out requirements in relation to LEP Board membership, including eligibility criteria, appointment processes, terms of office (including arrangements for resignation), and provisions relating to the Chair.

The LEP website [here](#), and the Combined Authority's website [here](#) provide details of all current members of the LEP Board.

The LEP Board has adopted an Equality and Diversity Policy including Diversity Statement explaining how the LEP seeks to ensure diverse representation at LEP Board and sub-board level which is reflective of their local business community (including geographies and protected characteristics). This can be viewed [here](#).

The LEP Board annually reviews its membership having regard to the its Diversity Statement, taking into account the skills, knowledge and competencies it needs, the geography of the Leeds City Region, its key business sectors and different sizes of business operation.

One LEP Board member is appointed to represent and engage with the SME business community, and another as Diversity Champion.

The LEP Board appoints its private sector representatives, including the Chair, in accordance with the LEP recruitment procedure (which covers succession planning and induction arrangements for private sector representatives) which can be found [here](#).

The LEP has adopted a LEP Board Members' Remuneration and Expenses scheme which can be found [here](#).

West Yorkshire Combined Authority

Membership

Members are appointed to the Combined Authority in accordance with the Order which established the Combined Authority. This provides that West Yorkshire constituent councils each appoint at least one Member to the Combined Authority, with a further three West Yorkshire appointments to reflect the balance of political parties among the West Yorkshire councils.

York is a non-constituent council of the West Yorkshire Combined Authority, and also appoints a Member to the Combined Authority, as does the LEP. These two Members are non-voting, except in so far as the Combined Authority gives them voting rights.

The Combined Authority's website [here](#) provide details of all current members of the Combined Authority.

Combined Authority officers serve both the LEP and the Combined Authority. They are appointed on merit in accordance with open recruitment arrangements and new officers undergo a structured induction process.

Appendix 4 – Economic Services grants: approval arrangements

The Combined Authority’s Managing Director has delegated authority from the Combined Authority to make **Economic Services grants**, except in respect of any application for a grant from a business where a potential conflict of interest arises from the involvement with that business of any person on the LEP or any relevant committee¹⁷.

The Managing Director is not required to discharge their delegated authority personally, and may sub-delegate their authority to any other officer.

The following table sets out sub-delegations which the Managing Director has made to other officers in respect of making Economic Services grants¹⁸:

Programme	Limits	Sub-delegation	Appraisal/ Consultation
Access Innovation – capital grants	Up to £20k	Executive Head of Economic Services Head of Business Support	-
Access Innovation – Revenue Grants	Up to £25k	Executive Head of Economic Services Head of Business Support	-
	£25k-£100k	Executive Head of Economic Services	Access Innovation Programme Advisory Group
Apprenticeship Grant for Employers	Up to £2.5k per apprentice and up to £5k per business	Executive Head of Economic Services Head of Employment and Skills	-
	Up to £5k per apprentice and up to £10k per business	Executive Head of Economic Services	
Business Growth Programme	Up to £25k	Head of Business Support	-
	Up to £50k	Executive Head of Economic Services	-
	£50k-£100k	Executive Head of Economic Services	Appraisal Advisory Group
	£100k-£250k	Managing Director (no sub-delegation)	Business Investment Panel

¹⁷ Where any such conflict arises, the application must be decided by the Managing Director, after consultation with the Chair of the Overview and Scrutiny Committee. Drafting Note – process currently under review.

¹⁸ Officers’ sub-delegations are subject to the process referred to in the above footnote, where a conflict of interest arises.

Programme	Limits	Sub-delegation	Appraisal/ Consultation
Digital Inward Investment Fund	Up to £25k	Head of Business Support Head of Trade and Investment	Digital Inward Investment Fund Appraisal Group
	Up to £50k	Executive Head of Economic Services	
Resource Efficiency Fund	Up to £10K	Executive Head of Economic Services Head of Business Support	-
Strategic Business Growth	Up to £25k	Head of Business Support	-
	Up to £40k	Executive Head of Economic Services	
Strategic Inward Investment Fund	Up to £250k	Managing Director (no sub-delegation)	Business Investment Panel
	Over £250k	Managing Director (no sub-delegation)	PAT, Business Investment Panel , Investment Committee and/or Combined Authority
Any other economic services grant under a funding stream or programme not listed above:	Up to £25k	Relevant Head of Service ¹⁹ (in relation to decisions within their remit)	None
	Up to £100k	Executive Head of Economic Services	
	£100k-£250k	Managing Director (no sub-delegation)	Business Investment Panel

Membership of the Panels referred to in the above table, in respect of economic services grants arrangements are as follows:

¹⁹ That is, the Head of Business Support, Head of Trade and Investment or Head of Employment and Skills

Panel	Programme	Membership
Access Innovation Programme Appraisal Group	Access Innovation	Officers from the Combined Authority; officers from District Authorities; University Representatives; Innovate UK; Ministry of Housing, Communities and Local Government
Appraisal Advisory Group	Business Growth Programme	Officers from the Combined Authority; officers from District Authorities; Business Enterprise Fund
Business Investment Panel	Business Growth Programme Strategic Inward Investment Fund	Local authority public sector members; senior private sector representatives with expertise in relevant sectors (e.g. banking, accounting, law)
Digital Inward Investment Fund Appraisal Group	Digital Inward Investment Fund	Officers from the Combined Authority

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Appendix 5 – Assurance Process principles for ESIF Sustainable Urban Development (SUD) purposes

Purpose

The urban agenda and the role of cities in driving forward smart, sustainable and inclusive growth is central to the successful delivery of the 2014-20 ESI Funds Growth Programme in England.

The Leeds City Region Sustainable Urban Development (SUD) Strategy, which aims to address integrated urban challenges and opportunities in our area, was submitted to the Ministry of Housing, Communities and Local Government (MHCLG) back in September 2015 and has now been formally agreed.

The Ministry of Housing Communities and Local Government – otherwise known as the Managing Authority - agreement of the SUD Strategy will ensure that funds worth up to 10% of the Leeds City Region European Structural and Investment Funds (ESIF), European Regional Development Fund (ERDF) allocation will be made available in order to implement the SUD strategy.

In order to put in place the delegated functions that are required by Article 7 of the EU Regulation 1301/2013, with regard to project selection, MHCLG have now established the West Yorkshire Combined Authority as an Intermediate Body (IB) in line with Articles 123 and 125 of EU Regulation 1303/2013.

The Combined Authority, as the Intermediate Body will, in order to make decisions with regard to its role in the project selection process, use the principles of the Assurance Process as outlined below. Any process will be undertaken in line with the selection criteria as defined by the ESIF national Growth Programme Board.

This appendix presents the Leeds City Region Assurance Process as the model and framework that the Combined Authority has adopted in assisting in the selection of projects as part of the ESIF programme 2014-2020 for SUD.

Background

- In July 2012 the Leeds City Region agreed a ‘City-Deal’ with HM Government giving greater local control over spending and decision-making particularly with regard to economic development, regeneration and transport. This ‘City-Deal’ agreed to the creation of a West Yorkshire Combined Authority and a commitment to develop an Assurance Process. The Assurance Process, once approved by HM Treasury, would provide a consistent, robust appraisal process for projects and programmes to inform investment decisions.
- In light of this, and the flexibility that is inherent within the Assurance Process, it represents a means to structure the local appraisal of ESIF SUD projects rather than developing a separate process. This approach complements the formal technical assessment carried out by MHCLG.

Introduction to selection of projects using the Assurance Process principles

The process adopted here reflects the guidance issued by MHCLG and adheres to the process and role of the Intermediate Body.

The Investment Committee provides advice to the Combined Authority in line with the nationally agreed criteria and in line with the agreed and signed Memorandum of Understanding between the Combined Authority and MHCLG.

The Investment Committee provides advice to the Combined Authority to whether proposals set out at Outline and subsequently Full Application appropriately address:

Local strategic fit as defined in the Selection Criteria^[1] for the ERDF 2014-2020 programme, which includes how:

- the proposed operation contributes to the needs/opportunities identified in the Call for Proposals to which it is responding.
- the proposed operation is aligned to the local growth needs set out in the local ESI Funds Strategy and contributes to the specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme.

In addition, the Combined Authority provides advice to MHCLG on the following value for money and deliverability selection criteria:

Value for money

- The operation must represent value for money. In assessing value for money, MHCLG take account of:
 - efficiency: the rate/unit costs at which the operation converts inputs to the Fund outputs.
 - economy: the extent to which the operation will ensure that inputs to the operation are at the minimum costs commensurate with the required quality.
 - effectiveness: the extent to which the operation contributes to programme output targets, results and/or significant strategic impact at the local level.

Deliverability

- the operation is deliverable within the requirements of the fund specific Operational Programme taking account risks, constraints and dependencies
- evidence has shown that this type of operation is effective or where the operation is new or innovative, the risks have been considered and appropriate mitigations put in place.

Using the Assurance Process principles

The Assurance Process is designed to ensure any projects seeking public finance should be subjected to a rigorous appraisal. HM Treasury has developed the Green Book which provides the basis for how projects should be appraised using the 'five cases model' to carry out a holistic assessment.

The five cases are:

^[1] Selection Criteria [here](#)

1. **Strategic:** does the scheme fit with the aims of the City Region’s Strategic Economic Plan? **(used for selection of projects for SUD as part of the ESIF Strategy)**
2. **Economic:** is the scheme value for money? **(used for selection of projects for SUD as part of the ESIF Strategy)**
3. **Commercial:** is there demand for the scheme and is it commercially viable?
4. **Financial:** is the scheme affordable and sustainable?
5. **Management:** is the scheme deliverable with achievable objectives? **(used for providing advice on the selection of projects for SUD as part of the ESIF Strategy)**

The Green Book details approaches and tools that can be adopted in order to effectively appraise projects. It is accepted that the detail and extent of appraisal should reflect the size and complexity of projects, but within all appraisals there should be some consideration of each of the five cases.

The Assurance Process has been developed in line with these principles and was a key requirement that emerged from the LEP’s City-Deal. Discussions with HM Treasury are continuing to ensure alignment with central government processes and expectations. The Assurance Process will be used by the LEP and the Combined Authority for all of its different funding regimes, providing a consistent and robust approach to appraise projects. This means all projects, irrespective of objectives or thematic area (transport, regeneration, housing, skills, innovation, enterprise etc.), will be assessed under this ‘single’ framework. This will better able the LEP and the Combined Authority to compare and prioritise projects and programmes.

It is the Assurance Process which is used to form the basis for the ‘local’ appraisal and selection of SUD ESIF projects outside the formal MHCLG assessment.

For the purposes of selecting SUD ERDF projects, the key principles of the Assurance Process are used – but only using cases 1, 2 and for advice case 3 as described above and in line with the nationally agreed criteria and the agreed and signed Memorandum of Understanding between the Combined Authority and MHCLG.

Strategic Fit – Proposed scope

The proposed assessment of strategic fit is currently structured around the four pillars of activity that are central to the Leeds City Region Strategic Economic Plan (SEP):

1. Growing businesses
2. Skilled People, Better Jobs
3. Clean Energy and Environmental Resilience
4. Infrastructure for growth

Promoting social inclusion and combating poverty, designed to reflect aspects of the social outcomes that are promoted within the ESIF programme, are integrated within the pillars.

The pillars have been broken down into activity that could contribute to strategic outputs within the respective pillar and projects would be scored against these criteria.

Value for Money (VfM) – Economic impact – proposed scope

In assessing the value for money of each of the projects, the process effectively mirrors that of the Assurance Process - ensuring that the costs and benefits of projects are taken into account and wherever possible quantified.

This is more straightforward for some projects than others and there is an onus on reflecting local intelligence and priorities. New jobs and catalytic projects are 'worth' more in some areas than others simply because there are fewer jobs or because it is more difficult to create and sustain jobs in certain locations. This is especially the case where disadvantage is long-term and entrenched.

The Research and Intelligence team own and manage the Regional Econometric Model, a complex tool that enables scenarios to be assessed in terms of their net economic impact. This provides a range of outputs with a focus on impacts in terms of employment and gross value added (a measure of economic impact). These outputs can be calculated over a range of different geographies.

Other approaches are used to quantify the outputs/outcomes that by their nature have a direct impact that is more social rather than economic.

In terms of the local assessment, additional measures of value for money are being used where necessary to provide more information on the potential impact of projects. Such measures and ratios include:

- Total GVA of the project
- Ratio of GVA to Total Cost AND public sector support
- Total cost per job
- Total GVA per job
- Cost benefit ratio
- Grant per job
- Cost per business assist
- Cost per skill outcome
- Capital / build costs

The appraisal is informed and supported by national and local research in terms of the costs of outputs and outcomes. This includes elements such as guidance issued by OFFPAT, evaluations of RDA activity and more recent, evidence emerging from the What Works Centre for Local Economic Growth and bespoke evaluations such as that carried out on the Combined Authority's Business Growth Programme (BGP).

Undertaking the work

The responsibility of the Assurance Process is the responsibility of the Director of Delivery, to whom a Head of Feasibility and Assurance reports.

The Head of Feasibility and Assurance commissions the Head of Research and Intelligence (under the Director of Policy, Strategy and Communication), to undertake the appraisal work on local strategic fit and economic - value for money (VfM). The appropriate policy lead will also support the approach, under the supervision of the Head of Research and Intelligence, to provide the advice that is considered and discussed by the Investment Committee. This in turn, leads to

recommendations to the Combined Authority to make decisions on the selection of operations.

Reporting

The results from the appraisal are presented in a summary assessment report, provided by MHCLG, alongside MHCLG's own formal technical assessment. This provides an insight into the strengths and weaknesses, bringing together the metrics and other qualitative and quantitative information.

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Appendix 6 – Programme Appraisal Team (PAT) terms of reference

TO FOLLOW - CURRENTLY BEING UPDATED

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GLOSSARY

ASR	<p>Appraisal Specification Report:</p> <p>A report produced by the scheme promoter, in conjunction with the West Yorkshire Combined Authority, setting out the agreed approach to appraisal of the scheme, as part of the Assurance Process.</p>
AST	<p>Appraisal Summary Table:</p> <p>A summary of the key consequences relating to the environmental, economic and social impacts of a trunk road scheme. They are used to help determine which schemes should proceed and if they do, to decide which options to choose.</p>
BCG	<p>Business Communications Group:</p> <p>A group of people made up of key representatives from organisations in the City Region. They support business growth and act as an advisory group to the LEP Board.</p>
BCR	<p>Benefit Cost Ratio:</p> <p>An indicator used in cost-benefit analysis that attempts to summarise the overall value for money of a project or proposal.</p>
BEIS	<p>Business, Energy and Industrial Strategy:</p> <p>A ministerial department supported by 47 agencies and public bodies. It brings together responsibilities for business, industrial strategy, science, innovation, energy and climate change.</p>
BGP	<p>Business Growth Programme:</p> <p>The department for Business, Energy & Industrial Strategy set up grants for businesses that meet certain requirements. Businesses can apply to the Leeds City Region LEP to obtain these grants.</p>
BIG	<p>Business Innovation and Growth Panel:</p> <p>The panel consists of senior councillors from key businesses and representative bodies across the City Region. The panel reports to the LEP Board and the Combined Authority.</p>
CBA	<p>Cost Benefit Analysis:</p> <p>A systematic approach to estimating the strengths, weaknesses and alternatives for a decision to be made. It involves adding up the benefits of a course of action and then comparing these with the costs associated with it.</p>
CSF	<p>Critical Success Factors:</p> <p>A management term for an element that is necessary for an organisation or project to achieve its goals.</p>
DCLG	<p>Department for Communities and Local Government:</p> <p>Now known as Ministry of Housing, Communities and Local Government (MHCLG). A ministerial department supported by 11 agencies and public bodies. They create places to live and work and give more power to local people to shape what happens in their area.</p>

DfT	<p>Department for Transport:</p> <p>A ministerial department supported by 19 agencies and public bodies. They would work with agencies and partners to support the transport network and plan and invest in transport infrastructure.</p>
EoI	<p>Expression of Interest:</p> <p>A document that describes the potential project/ programme requirements and/ or specifications detailing how they would be met.</p>
ERDF	<p>European Regional Development Fund:</p> <p>Aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The ERDF focuses its investments on several key priority areas and is designed to reduce economic, environmental and social problems in urban areas.</p>
ESIF	<p>European Structural and Investment Funds:</p> <p>Includes money from the European Social Fund, European Regional Development Fund and European Agricultural Fund for Rural Development. They apply to projects backed by the ESIF.</p>
EU	<p>European Union:</p> <p>To update</p>
EZ	<p>Enterprise Zone:</p> <p>An area in which state incentives such as tax concessions are offered to encourage business investment.</p>
FBC	<p>Full Business Case:</p> <p>A Business Case provides justification for undertaking a project or programme. It evaluates the benefit, cost and risk of alternative options and provides a rationale for the preferred solution.</p>
GPF	<p>Growing Places Fund:</p> <p>Funding from the Department for Communities and Local Government that supports key infrastructure projects designed to unlock wider economic growth, create jobs and build houses in England. This fund comprises of £730 million.</p>
GVA	<p>Gross Value Added:</p> <p>Measures the contribution made to the economy and is a key indicator of the state of the whole economy. It measures the value of goods and services produced in an area.</p>
Green Book	<p>HM Treasury guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project.</p>
HE	<p>Homes England:</p> <p>Formerly known as Homes and Communities Agency. A non-departmental public body that is sponsored by the Department for Communities and Local Government. HE helps create successful communities by making more homes and business premises available to the residents and businesses who need them.</p>
HMT	<p>Her Majesty's Treasury:</p> <p>The government's economic and finance ministry, maintaining control</p>

	over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.
IPPR North	Institute for Public Policy Research (IPPR) North: This programme looks at the state of civil society and the voluntary sector in the North of England. The programme aims to inform and shape local, regional and national policymaking regarding the role of civil society in the North of England in the future.
LCR	Leeds City Region: Encompasses the eleven local authority areas of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York along with North Yorkshire County Council.
LEP	Local Enterprise Partnership: Locally-owned partnerships between local authorities and Businesses. They play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs.
LGF	Local Growth Fund: Growth Deal funding provided to Local Enterprise Partnerships for projects that benefit the local area and economy.
LTP	Local Transport Plan: Identify priorities for maintaining and improving local transport systems based on the needs and wants of residents and organisations in the region, and put forward plans of how they will be achieved. These improvements are then given funding to be put into action.
MD	Managing Director: The person who is in overall charge of the running of an organisation or business.
MHCLG	Ministry of Housing, Communities and Local Government: Formerly known as Department for Communities and Local Government (DCLG). A ministerial department supported by 12 agencies and public bodies. They create great places to live and work, and to give more power to local people to shape what happens in their area.
NPV	Net Present Value: The difference between the present value of the future cash flows from an investment and the amount of investment. NPV is used to analyse the profitability of a projected programme or project.
Nolan Principles	The seven principles of public life, which are the basis of the ethical standards expected of public office holders.
OBC	Outline Business Case: This sets out the preliminary thoughts regarding a proposed project/ programme. It contains information needed to help make a decision regarding the implementation of the project/ programme such as envisaged outcomes, benefits and potential risks associated.
Orange Book	HM Treasury guidance for public sector bodies on risk management.

PAT	<p>Programme Appraisal Team:</p> <p>A team formed to ensure compliance with the assurance framework. It is a formal group of West Yorkshire Combined Authority officers who oversee the Assurance Process.</p>
PCR	<p>Project Closure Report:</p> <p>The final document produced for the project and is used by senior management to assess the success of the project, identify best practice for future projects, resolve all open issues and formally close the project.</p>
PIMS	<p>Portfolio Information Management System:</p> <p>A management system used to provide transparency, consistency, efficiency and focus on delivery.</p>
PMO	<p>Portfolio Management Office:</p> <p>The office that prioritises and controls an organisations projects and programmes in line with its strategic objectives and capacity to deliver.</p>
QRA	<p>Quantified Risk Assessment:</p> <p>A structured approach to identifying and understanding the risks associated with hazardous activities. The assessment takes inventory of potential hazards, their likelihood and consequences.</p>
RAG	<p>Red, Amber and Green rating:</p> <p>Also known as the traffic light system and used as a visual cue to project performance.</p>
REM	<p>Regional Econometric Model:</p> <p>Incorporates aspects of four major modelling approaches; Input- Output, General Equilibrium, Econometric, and Economic Geography. It estimates the changes in total regional income and employment.</p>
SEP	<p>Strategic Economic Plan:</p> <p>A long-term plan that shows how the LEP and Local Authorities will grow the economy and how its ambitions will be achieved.</p>
SME	<p>Small and Medium Enterprises:</p> <p>A company is defined as an SME if it has a staff headcount of either <50 (small) or <250 (medium sized). The company also needs to have a turnover or balance sheet total of ≤€10m (small) or ≤€50m (turnover) or ≤€43m (balance sheet) (medium). They represent 99% of all businesses in the EU and can be eligible for support (research funding, innovation funding etc.) and can have reduced fees for EU administrative compliance.</p>
SOBC	<p>Strategic Outline Business Case</p> <p>To follow</p>
SUD	<p>Sustainable Urban Development:</p> <p>The development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Urban development should be guided by a sustainable planning and</p>

	management vision that promotes interconnected green space, a multi-modal transportation system, and mixed-use development
UDM	Urban Dynamic Model: A simulation of how transport interacts with population, employment and land-use over long periods of time, typically ten years or more. It helps understand how transport could contribute to economic regeneration.
VfM	Value for Money: The most advantageous combination of cost, quality and sustainability to meet customer requirements.
WebTAG	Web-based Transport Appraisal Guidance: Guidance on the conduct of transport studies. It provides advice on how to set objectives and identify problems, develop potential solutions, create a transport model for the appraisal of the alternative solutions and how to conduct an appraisal which meets the department's requirements.
West Yorkshire Transport Levy	An annual levy on the West Yorkshire authorities, which is used to invest in priority projects/programmes across West Yorkshire, helping to deliver a number of key transport priorities.

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Corporate planning and performance**

Director: Angela Taylor, Director, Corporate Services

Author(s): Louise Porter and Jon Sheard

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

1. Purpose of this report

- 1.1 To provide the West Yorkshire Combined Authority with an update on corporate performance including progress against corporate plan priorities, risk management and budget position.

2. Information

Corporate Plan 2018/19

- 2.1 The Combined Authority's annual Corporate Plan sets out the vision and mission for the organisation and also highlights the long term regional ambitions, which the Combined Authority will play a major role in contributing towards. These ambitions fall under the key themes of boosting productivity, enabling inclusive growth and delivering 21st century transport.
- 2.2 A set of 14 headline success measures has been developed in order to measure the Combined Authority's success in contributing towards these regional ambitions. An update on progress against these success measures is provided as part of the performance snapshot report which is provided at **Appendix 1**.

2.3 This shows that while the majority of indicators are assessed as on track to be met, there are currently three indicators assessed as red which can be summarised as follows:

- The delivery of refurbished floorspace through skills capital projects is currently not on track to be fully met in 2018/19, due to an unanticipated delay in the programme for one of the key projects.
- Supporting individuals to upskill in skills shortage areas is not on track to be met due to the confirmation of European Social Funding to deliver this activity being received later than expected on 30th October 2018. As a result of this delay, activity has commenced later than planned with 2018/19 outputs therefore being rolled forward to 2019/20.
- Supporting businesses to offer apprenticeships is also not on track to be met due to the delay in European Social Funding being received as described above. As a result of this delay, activity has commenced later than planned with 2018/19 outputs therefore also being rolled forward to 2019/20.

Corporate Plan 2019/20 development

2.4 Significant work has taken place to develop the integrated budget and business plan proposals for the 2019/20 financial year and these are presented in detail at agenda item 9. Once approved these documents will form the basis of the 2019/20 Corporate Plan.

2.5 It is currently expected that the 2019/20 Corporate Plan will continue to build on the three overarching corporate priorities of boosting productivity, enabling inclusive growth and delivering 21st Century transport. It is also proposed that a fourth objective be added around clean growth. This is intended to reflect the progress made towards the Strategic Economic Plan objective of a zero carbon economy and also in light of the approval of the regional Energy Strategy and Delivery Plan which was secured in December 2018.

Corporate risk update

2.6 In line with the provisions of the Corporate Risk Management Strategy, Regular review of the key strategic risks affecting the organisation continues to be undertaken and the corporate risk register updated accordingly.

2.7 The Senior Management Team have recently reviewed the Corporate Risk Register and a number of minor changes have been made as a result. This has also resulted in two risks being reduced from 'very high' to 'high' in terms of their overall probability/impact assessment. These changes can be summarised as follows:

2.8 ***Failure to have the supporting infrastructure and processes in place to deliver against corporate priorities.*** This risk relates to the possibility of corporate priorities not being met as a result of outdated organisational infrastructure and processes. However the projects that are now moving forward at pace as part of the transformation programme and the corporate

technology programme are now actively addressing this risk and therefore the overall risk exposure is considered to have reduced.

- 2.9 ***Failure to have in place the capacity, skills and resource needed to deliver increased workload.*** This risk was identified during the period of significant restructuring that the organisation has recently gone through. Now that updated structures are now in place and largely filled this risk is considered to have reduced overall.
- 2.10 A summary of the updated corporate risk register is attached at **Appendix 1** as part of the performance snapshot report.
- 2.11 As reported to the December meeting of the Combined Authority a change to the current Risk Appetite Statement has been made in order to reduce the level of financial risk appetite. This is not related to any specific change in financial circumstances, but instead reflects feedback that the previous assessment of financial risk appetite was on reflection, not considered to fully reflect the current position.
- 2.12 The updated Risk Appetite Statement is provided at **Appendix 1**, this shows the new assessment of financial risk appetite at level 2 (having reduced from level 3).

Revenue budget position

2018/19

- 2.13 A summary of the 2018/19 current spend to budget as at December 2018 is attached at **Appendix 2**. A RAG rating has been included to identify budgets that need further review. There are no 'red' areas of concern to report.
- 2.14 The approved annual budget included a £1.4m deficit to be funded from general reserves. Latest forecasts suggest that expenditure is being managed within this figure. Item 9 earlier on this agenda considers in more detail the budget position for 2019/20 and 2020/21.

3. Inclusive Growth Implications

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

4. Financial Implications

- 4.1 The financial implications are covered in the body of the report and at the supporting appendices.

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.

8. Recommendations

8.1 That the Combined Authority notes and provides comment on the information on corporate performance.

9. Background Documents

9.1 None.

10. Appendices

Appendix 1 – Corporate Performance Snapshot Report

Appendix 2 – Budget monitoring 2018/19

APPENDIX 1: CORPORATE PERFORMANCE SNAPSHOT

Progress against 2018/19 Key Corporate Plan priorities:

Boosting Productivity				
Indicator	Target	Status	RAG	Notes
A Local Inclusive Industrial Strategy for the City Region	By 31/03/19	Ongoing		Significant progress continues to be made in developing the evidence base for our Local Inclusive Industrial Strategy (LIIS). Key components of our new radical and ambitious Policy Framework supporting the LIIS are also in development, including a Digital Framework, Energy Strategy and a refresh of the Employment & Skills Plan. There remains a lack of clarity about how Government will take forward Local Industrial Strategies - until resolved, uncertainty about timetable remains
Delivery of new and refurbished skills floorspace through economic regeneration projects funded by our Growth Deal 281	24,898m ² new	4,500 sqm		4,500sqm opened Sept 2018. 5,200sqm in Q3 18/19. Delays have been due to a contractor going into administration (beyond CA control) but the project is now progressing well with the remaining 15,198sqm currently on site and will complete in Q2 19/20.
	12,100 m ² refurbished	0 sqm		2,500sqm to be delivered in Q4 18/19, remaining 9,600sqm will complete in later years (6,000sqm in 19/20 and 3,600sqm in 20/21). Delays due to value engineering exercise at the start of the project (beyond CA control) to bring scheme within budget.
Supporting businesses who want to grow through our business growth service	2,750 businesses	1977		Now slightly below target due to a seasonal reduction in gateway enquiries and no Popup business advice events over the holiday period. Digital Enterprise and Ad:Venture enquiries will be added to future figures which is likely to take performance above target.
Supporting the creation of jobs in those businesses receiving intensive support from our growth service	500 jobs	913		On track
Supporting the creation of a further new jobs in the region through the work of our inward investment service	1,500 jobs	1479		On track
Enabling a high % of those businesses who receive intensive support from the business support service to achieve growth	75%	81%		This is an annual target. Figure quoted is based on a relatively small sample of businesses supported in 2015/16 and 2016/17 where it is possible to show impact over time. The study will be updated at the end of the 2018/19 to include 2017/18 data.

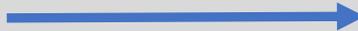
Inclusive Growth

Indicator	Target	Status	RAG	Notes
Delivering an enhanced model of employability, enterprise and careers education to disadvantaged students	To reach 12,000 students	9,238		To be counted for this target pupils need two encounters in the financial year so target is profiled to achieve most outputs in Q3 and Q4. 9,238 of our most disadvantaged young people have received two or more employer encounters so far this year to positively impact on their employability and aspirations.
Supporting individuals to upskill in skills shortage areas	1,250 individuals	83		In principle confirmation of £3.1 million European Social Funding was received later than expected on 30 th October 2018. Activity to support individuals to upskill commenced in January 2019 with 2018/19 outputs being rolled forward to 2019/20.
Supporting businesses to offer apprenticeships	1,000 businesses	29		In principle confirmation of £9 million European Social Funding was received later than expected on 30 th October 2018. Activity to support individuals to upskill commenced in January 2019 with 2018/19 outputs being rolled forward to 2019/20.
Improving homes through the Better Homes programme	1,000 Homes	1,257		

21st century transport

Indicator	Target	Status	RAG	Notes
Delivery of a programme of significant transport projects by end of March 2019	13 complete 11 on site	5 complete 3 on site		<p>Complete: Morley Hub, Fitzwilliam & Mirfield A P&R, Bradford Interchange accessibility & upgrade. Additional functionality to the CHASE smartcard management system including hotlisting, register a pink card, improved refund offer for pink cards, GDPR compliance, and marketing functionality.</p> <p>On site: Hebden Bridge rail car park extension. Garforth (enabling works), Mytholmroyd (enabling works).</p>
283 Support partners to deliver significant transport projects by March 2019	2 complete 9 on site	7 complete 7 on site		<p>Complete: City Connect phase 2: Castleford – Wakefield (MB2FHL) Calder Hebble towpath Upgrade Airedale Greenway Towpath upgrade Phase 1: Huddersfield Narrow Canal Wakefield Eastern Relief Road. Wakefield City Centre Package Phase 1 – Kirkgate Rochdale phase 1</p> <p>On site: A629 Phase 1a East Leeds Orbital Route Phase 1 North York Outer Ring Road Junction Improvements. 3 CityConnect schemes: Leeds City Centre Bradford Canal Road York Scarborough Bridge</p>
Increase MCard (smart ticket) sales	10% increase	5.2% <i>increase</i>		Up to the end of Sept 18 Under review with West Yorkshire Ticketing Co. Ltd - WYTCL has set 3-5% target increase in their strategy
Increase the proportion of travel information interactions/enquiries made on line	98% of enquiries online	97.2%		Actions to increase online enquiries continuing

Corporate Risk

Current Risk Appetite:	Low Risk Appetite  High Risk Appetite				
	1	2	3	4	5
Compliance and Regulation					
Operational/Service Delivery					
Financial					
Reputational/Marketing/PR					
Strategic Transformational Change					
Development and Regeneration					
People and Culture					

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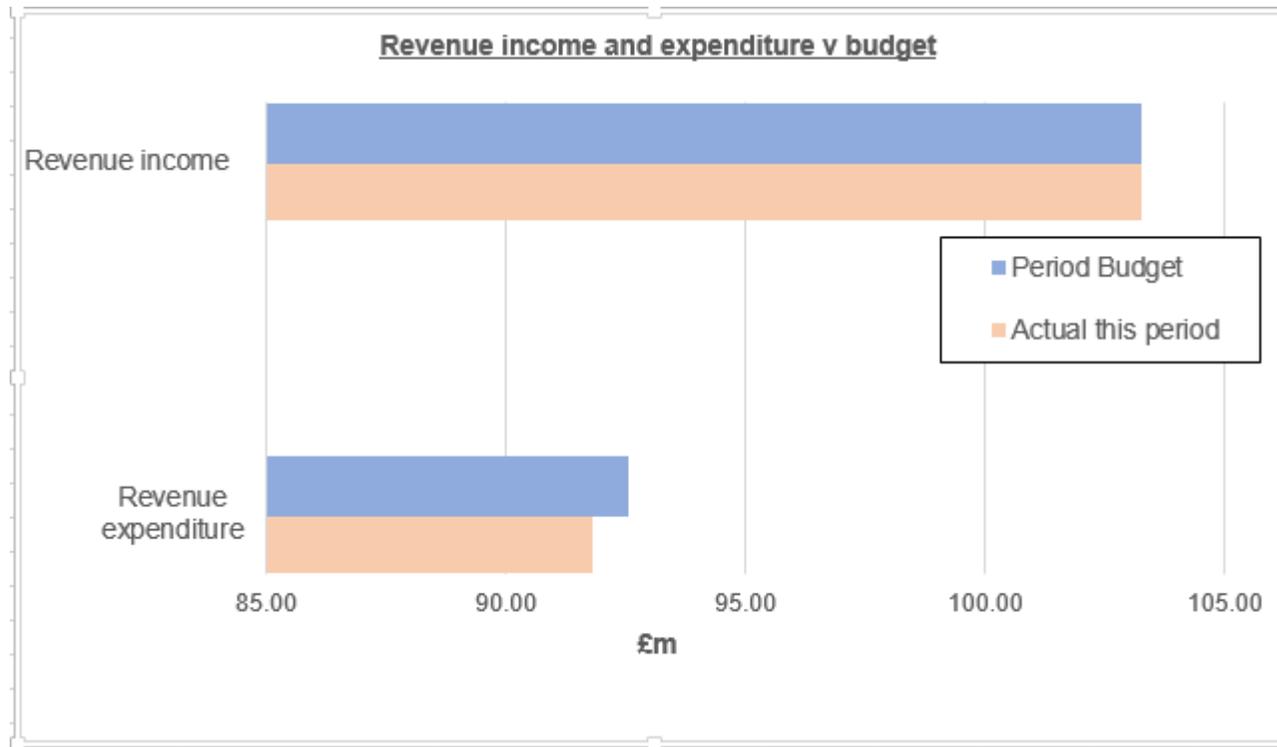
Current 'Very High' risks:

		Probability	Impact	Mitigation summary	Movement since last report
Very High x2	Failure to secure enhanced funding and devolved powers	Possible	Highly significant	Devolution discussions continuing	No Change
	Failure to deliver Growth Deal/other capital funding programmes within timescales/ costs	Possible	Highly significant	Significant controls in place through PMO	No Change

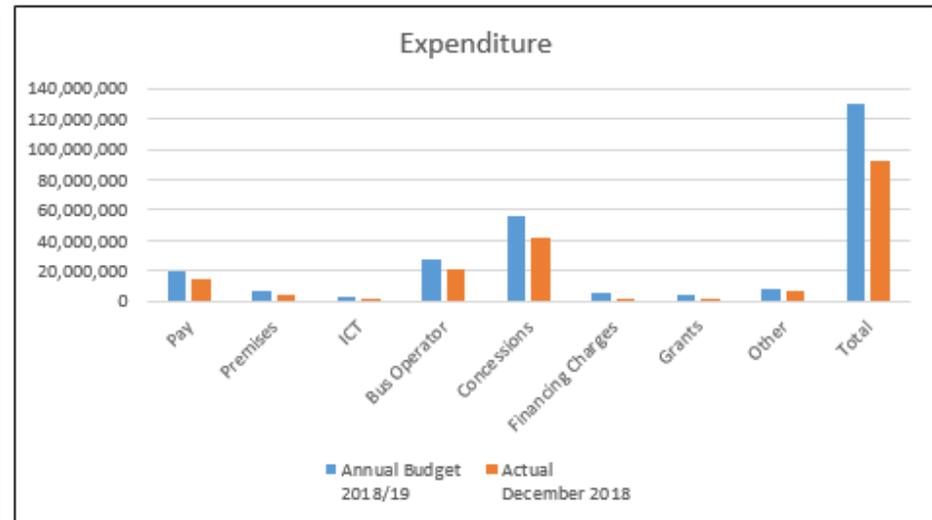
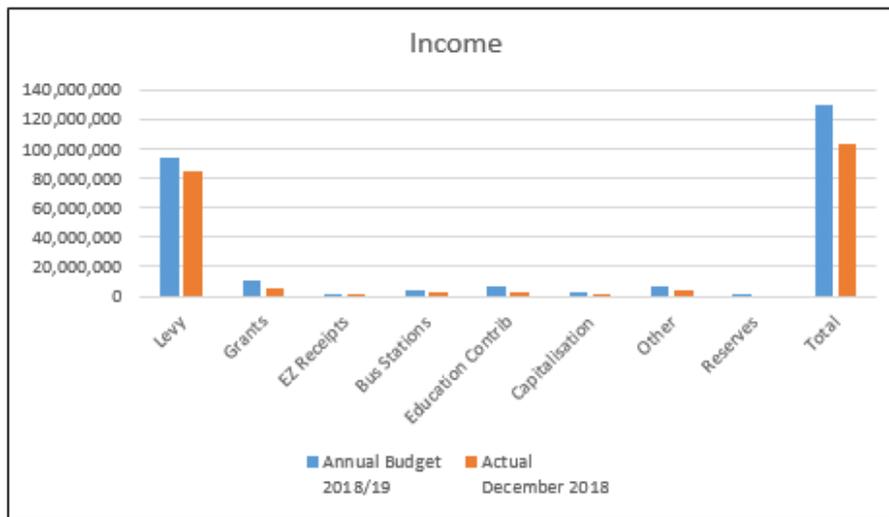
Current 'High' risks:

		Probability	Impact	Mitigation summary	Movement since last report
<div style="background-color: yellow; border: 1px solid black; border-radius: 10px; padding: 5px; display: inline-block; text-align: center;"> High x16 285 </div>	Failure to have the supporting infrastructure and processes in place to deliver against corporate priorities	Possible	Major disruption	Transformation programme & corporate technology programme in place and addressing this	Reduced
	Failure to have in place the capacity, skills and resource needed to deliver increased workload	Possible	Major disruption	Organisational structures largely embedded. Business planning ongoing	Reduced
	Failure to deliver CA objectives and outcomes to demonstrate that CA/LEP is making a difference	Possible	Major disruption	Continuing to embed remaining elements of change programme	No Change
	Failure to secure continued funding for key services (e.g. economic services, skills capital)	Possible	Major disruption	Ongoing review of funding opportunities/bids	No Change
	Failure to deliver appropriate working arrangements with District partners	Possible	Major disruption	Continuing to strengthen key partnerships	No Change
	Risk of legal proceedings/financial penalty of not being compliant with GDPR	Possible	Major Disruption	Information asset register/data policies continually reviewed	No Change
	Risk that national terrorism threat level is raised to 'imminent' resulting in the need for unanticipated operational changes/costs	Possible	Major Disruption	Continued review of national trends and potential mitigation measures	No Change
	Insufficient national & local investment in the inclusive industrial strategy to make the transformational change needed	Possible	Moderate	Ongoing dialogue with Government	No Change
	Risk of legal challenge as a result of not being compliant with HR, Financial, procurement and Governance Legislation	Possible	Moderate	Policies/procedures in place and subject to ongoing review	No Change
	Failure to properly communicate the purpose of the organisation to stakeholders	Possible	Moderate	Continuing brand/Identity work led by communications team	No Change
	Failure to secure sufficient revenue funding to run current services	Possible	Moderate	Annual budget development in progress and near conclusion	No Change
	Financial failure of a major contractor/supplier to the CA or a recipient of funding from the CA	Possible	Moderate	Contract management processes and regular financial checks in place	No Change
	Failure of 3 rd part contractor to deliver within timescales/within expected level of benefits for CA funded projects	Possible	Moderate	Contractual KPI's and robust escalation route in place	No Change
	Risk of significant bus service disruption if bus companies do not make adjustments in time for introduction of Leeds clean air zone	Possible	Moderate	Continuing dialogue with operators and LCC to understand impacts	No Change
	Major unanticipated change in national policy resulting in operation of the organisation/organisational objectives	Unlikely	Highly significant	Ongoing dialogue with Government. Monitoring of national policy trends	No Change
	Risk of Major incident at CA facility, accident /injury to vulnerable person(s)	Unlikely	Highly significant	Policies/procedures/training in place and continually reviewed	No Change

Current revenue position: Year to date figures as at December 2018



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West Yorkshire Combined Authority - Summary

75%

Title	Budget	December 2018		RAG
	2018/19	Actual	%	
£	£			
Expenditure				
Salary & Pay Related Costs	20,919,698	14,082,419	67.3%	Reflects above average staff vacancies during the year
Indirect Employee Related Costs	556,450	566,800	101.9%	Overspend attributable to recruitment costs to vacant posts - see above
Premises Related Costs	6,184,194	4,570,503	73.9%	Spend in line with expectations - rents, rates paid in advance
Travel, Transport & Subsistence Related Costs	112,984	85,888	76.0%	Spend in line with expectations
Member Related Costs	153,168	106,249	69.4%	Spend in line with expectations
Office Supplies & Services	540,050	448,492	83.0%	Spend in line with expectations - spend profile not even during the year.
ICT & Telephony Costs	2,342,778	1,678,918	71.7%	Spend in line with expectations - ICT & telephony charges paid in advance
Professional & Consultancy Fees	2,296,718	1,583,285	68.9%	Spend in line with expectations
Corporate Subscriptions	39,398	25,750	65.4%	Spend in line with expectations - corporate memberships paid in advance
Marketing & PR Costs	1,315,079	804,254	61.2%	Spend in line with expectations
Insurance	279,400	305,402	109.3%	Small overspend due to impact of previous year claims history
Operator Payments (Transport)	27,397,250	21,605,517	78.9%	Spend slightly ahead of expectations - plans in place to address before year end
Pre Paid Ticket Cost	31,500,000	23,800,978	75.6%	Cost matched by income (see below) ##
Concessions	56,270,200	41,682,731	74.1%	Spend in line with expectations
Additional Pension Costs	2,245,800	1,916,054	85.3%	Spend in line with expectations - impact of one annual payment £1.3m
Financing Charges	5,670,000	1,545,056	27.2%	Spend in line with expectations - charges accrued at the year end
Grants	3,893,861	400,286	10.3%	Low spend below expectations - due to timing of payments
Other Miscellaneous Costs	514,958	326,874	63.5%	Spend in line with expectations
Contribution to External / Related Parties	277,606	81,885	29.5%	Spend in line with expectations - further spend expected in quarter three
Additional Savings Target	(1,455,000)	0	0.0%	Staff budget saving target - to offset against savings in salary budget above.
Contingency	200,000	0	0.0%	Pay award - to add to salary / pay budget
Total Expenditure	161,254,592	115,617,338	71.7%	
Income				
Rail Admin Grant	(918,000)	(612,308)	66.7%	Received in arrears - forecast is £878k due to reduction
LEP General Funding Income	(1,234,000)	(500,113)	40.5%	Received in arrears and towards year end
Growing Places Fund Interest	(200,000)	(206,266)	103.1%	Received in arrears
Enterprise Zone Receipts	(1,968,000)	(15,867)	0.8%	Received in arrears - currently at year end
Transport Levy	(94,198,000)	(84,778,586)	90.0%	10 instalments - nine received to date
Bus Service Operator Grant (BSOG)	(1,942,000)	(2,063,592)	106.3%	Received in full at the start of the year
Education Contribution to Transport	(6,768,000)	(3,116,176)	46.0%	Received in arrears
Bus Station Tenant Income	(1,472,464)	(1,195,847)	81.2%	Some receipts in advance / others in arrears. Overall on budget.
Bus Station / Services - Other Income	(2,866,121)	(1,659,458)	57.9%	Received in arrears
Admin Recharges	(5,349,498)	(4,028,743)	75.3%	Received in arrears
Capitalisation of Revenue Costs	(3,381,887)	(1,911,634)	56.5%	Received in arrears
Pre Paid Ticket Income	(31,819,412)	(23,880,704)	75.1%	Income matches expenditure (see above) ##
Other Income	(7,684,973)	(3,066,096)	39.9%	Received in arrears - being reviewed with budget holders.
Total Income	(159,802,355)	(127,035,389)	79.5%	
Net Expenditure	1,452,237	(11,418,051)	-786.2%	

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Governance arrangements**

Director: Angela Taylor, Director of Corporate Services

Author(s): Angie Shearon/Liz Davenport

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

1. Purpose of this report

- 1.1 To note changes and make appointments to the Combined Authority's committees and panels.
- 1.2 To note that the Executive Head of Economic Services is leaving the Combined Authority at the end of April and that interim arrangements will be put in place as a consequence.
- 1.3 To note that the Resources directorate has been renamed Corporate Services and as a result the post of Director of Resources has been renamed the Director of Corporate Services.

2. Information

York City Council

- 2.1 On 14 December 2018, York City Council provided notification that they wished to make the following changes to their nominations:
 - Councillor Helen Douglas to replace Councillor Jenny Brooks on the Overview & Scrutiny Committee.

- Councillor Jenny Brooks to replace Councillor Helen Douglas on the Place Panel.

Wakefield Council

2.2 On 15 January 2019, Wakefield Council provided notification that they wished to make the following changes to their nominations:

- Councillor Steve Tulley to replace Councillor Albert Manifold as substitute member for Councillor Elizabeth Rhodes on the Overview & Scrutiny Committee.

Bradford Council

2.3 On 17 December 2018 and 17 January 2019 respectively, Bradford Council provided notification that they wished to make the following changes to their nominations:

- Councillor Michael Johnson to fill the vacancy on the Transport Committee
- Councillor Carol Thirkill to replace Councillor Joanne Dodds as substitute member for Councillor Rosie Watson on the Overview & Scrutiny Committee.

Officer Arrangements

2.4 The Executive Head of Economic Services is leaving the Combined Authority at the end of April. An internal process for an interim replacement will be undertaken and the Authority will be updated in due course.

2.5 As a result of a change in name for the Resources directorate to Corporate Services which took effect from 28 January the Director of Resources is now the Director of Corporate Services. There is no change in the role itself and changes to relevant corporate documentation will be made to reflect the change.

3. Inclusive Growth Implications

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

4. Financial Implications

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

5. Legal Implications

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

6. Staffing Implications

- 6.1 As a result of the forthcoming vacancy in the role of the Executive Head of Economic Services, a process for an internal interim replacement will be undertaken.

7. External Consultees

- 7.1 None.

8. Recommendations

- 8.1 That the Combined Authority notes the City of York Council's revised nomination to the Overview and Scrutiny Committee and co-opts Councillor Helen Douglas onto the committee in place of Councillor Jenny Brooks with immediate effect.
- 8.2 That the Combined Authority notes the City of York Council's revised nomination to the Place Panel and co-opts Councillor Jenny Brooks onto the panel in place of Councillor Helen Douglas with immediate effect.
- 8.3 That the Combined Authority notes Wakefield Council's revised nomination to the Overview & Scrutiny Committee and co-opts Councillor Steve Tulley onto the panel in place of Councillor Albert Manfield with immediate effect.
- 8.4 That the Combined Authority notes Bradford Council's nomination to fill the vacancy on the Transport Committee and co-opts Councillor Michael Johnson onto the committee with immediate effect.
- 8.5 That the Combined Authority notes Bradford Council's revised nomination to the Overview & Scrutiny Committee and co-opts Councillor Carol Thirkill onto the committee in place of Councillor Joanne Dodds with immediate effect.
- 8.6 That the Combined Authority notes that the Executive Head of Economic Services is leaving the Combined Authority at the end of April and that a process for an internal interim replacement will follow.
- 8.7 That the Combined Authority notes that the title of Director of Resources has been changed to the Director of Corporate Services.

9. Background Documents

There are no background documents referenced in this report.

10. Appendices

None.

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **HS2 Consultation**

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

Author(s): Neil Moore

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

1. Purpose of this report

- 1.1 To provide an update on the recent consultations from HS2 on their working draft Environmental Statement and working draft Equalities Impact Assessment.
- 1.2 To inform members about the Combined Authority response to the above consultations.

2. Information

Background

- 2.1 HS2 is the single largest investment in national infrastructure in the UK. It will act as a catalyst for regeneration and growth, stimulating connectivity to towns and cities across the Leeds City Region and the North, improving skills and job prospects and creating opportunities for businesses.
- 2.2 Once completed HS2 will connect Leeds to London in 1 hour and 21 minutes and Leeds to Birmingham in 49 minutes with services every twenty minutes. Delivery of HS2 is anticipated to generate an extra £54bn GVA to the region's

economy and create 41,000 jobs through interventions proposed by the HS2 growth strategy.

- 2.3 As part of the HS2 project, Leeds station will be transformed to create a world class gateway providing seamless interchange between HS2 services and those offered by existing rail services and also Northern Powerhouse Rail. Under current proposals Leeds will be the only HS2 station within West Yorkshire. It is important that Leeds station can be developed as a regional transport hub.
- 2.4 A hybrid bill will be submitted to Parliament next year seeking powers and planning permission for the construction and operation of the HS2 phase 2b railway. It is expected that construction will begin 2023/4 and the commencement of services in 2033.
- 2.5 HS2 recently carried out two consultations on HS2 Phase 2b covering their working draft Environmental Statement (WDES) and working draft Equality Impact Assessment. It is worth noting that this is a point-in-time assessment in the ongoing development of phase 2b. The proposed scheme will continue to be redesigned to take into account feedback from this consultation and also ongoing dialogue with the Combined Authority and district partners.
- 2.6 Our district partners, as planning authorities, responded separately on matters of local interest with the Combined Authority addressing the wider, regional issues and strategic impacts of the scheme with a focus on public transport. Both consultations closed on 21 December 2018. A draft response was circulated to members prior to the deadline and comments are incorporated in the final response to HS2.
- 2.7 The full response to the HS2 consultations is provided in **Appendix 1**.

The Working Draft Environmental Statement (WDES)

- 2.8 The WDES sets out information on the HS2 route including plans, profile maps and mitigation measures during construction for the preferred route. This is a non-statutory stage statement but it provides an opportunity to respond to the design and proposed mitigation measures. Much of the information presented in the WDES is at quite a high level. More details on the impacts of HS2 construction and operation, including outputs from detailed modelling assessments, will be available when the final environment statement is produced. This will provide a further opportunity for the Combined Authority and district partners to respond to the HS2 proposals.
- 2.9 Communities along the route will be disrupted in a number of ways, both along the immediate route and in surrounding areas with the majority of impacts as a result of construction of the railway. Measures will be undertaken by HS2 Ltd to mitigate all these impacts. To build the HS2 line including new viaducts, cuttings and tunnels will require 9 construction compounds and 53 satellite sites to store machinery and raw materials. Many of these sites will return to their former use once the railway is completed.

- 2.10 Under the current proposals within West Yorkshire, the 56km HS2 route will require the demolition of 15 residential and 60 commercial properties, with 58 roads and 39 footpaths either closed or diverted, 755 hectares of land (a third of which is prime agricultural taken out of use) and 141 hectares of wildlife and woodland impacted.
- 2.11 The Combined Authority's response has therefore called upon HS2 to plan for and mitigate as far as possible the consequences of these impacts including:
- The disruption to the transport network including where it will worsen congestion, increase journey times and have a negative impact on local bus and rail services;
 - Where HS2 is expected to have an adverse environmental effect for example on existing green and blue infrastructure and air quality;
 - Where businesses are particularly affected, the need for support packages to be implemented well in advance of any relocation dates;
 - To ensure that Leeds station is HS2 ready, with the full implementation of the Leeds integrated station masterplan;
 - To work with Transport for the North to properly integrate HS2 with Northern Powerhouse Rail;
 - To continue to align plans for the HS2 depot with the plans for the Enterprise Zone (EZ) and compensate the Combined Authority for the loss of income that building the depot in the EZ has caused.

The Working Draft Equality Impact Assessment (WDEIA)

- 2.12 The WDEIA considers the potential effects of building and operating the railway on groups protected by the Equality Act (2010).
- 2.13 The Combined Authority response to the WDEIA is at the end of the consultation response at **Appendix 1**. The response commented that the needs of all users need to be considered throughout the process in order to ensure we have a more accessible transport system which meets user needs and reduces barriers to travelling

3. Inclusive Growth Implications

- 3.1 There are no inclusive growth implications directly arising from this report. HS2 will contribute to inclusive growth by connecting people to new labour markets and providing employment and supply chain opportunities during construction and operation of the line.

4. Financial Implications

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

5. Legal Implications

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

6. Staffing Implications

6.1 Response to HS2 consultation is currently dealt with by the existing resources within the Rail team and supported by wider team in the Policy, Strategy and Communications Directorate.

7. External Consultees

7.1 The consultation responses were shared in draft with the officers of district partners and members of Transport Committee and Combined Authority.

8. Recommendations

8.1 That the members note the final responses in Appendix 1.

9. Background Documents

9.1 The HS2 Working draft environmental statement

<https://www.gov.uk/government/collections/hs2-phase-2b-working-draft-environmental-statement>.

9.2 High Speed Rail (Crewe to Manchester and West Midlands to Leeds) Working Draft Equality Impact assessment Report

<https://www.gov.uk/government/consultations/hs2-phase-2b-working-draft-equality-impact-assessment-report>

10. Appendices

Appendix 1 – Response to Working Draft Environmental Statement and the Working Draft Equality Impact Assessment Report.

West Yorkshire Combined Authority –Working Draft Environmental Consultation and Working Draft Equality Impact Assessment Response – December 2018

1 Introduction

- 1.1 This constitutes the response of the West Yorkshire Combined Authority to the HS2 Working Draft Environmental Consultation (WDES) and Working Draft Equality Impact Assessment.
- 1.2 The Combined Authority works to ensure that our region is recognised globally as a strong, successful economy where everyone can build great businesses, careers and lives. We bring together local councils and businesses to achieve this vision, so that everyone in our region can benefit from economic prosperity and a modern, accessible transport network.

2 West Yorkshire Combined Authority

- 2.1 West Yorkshire Combined Authority is the transport authority covering Leeds, Wakefield, Kirklees, Bradford and Calderdale districts. We are not a strategic or local planning authority and therefore have no statutory responsibilities relating to planning. The Leeds City Region Local Planning Authorities are committed to partnership working to ensure a joined-up approach to spatial planning including tackling cross-boundary issues and agreeing strategic priorities. These strategic priorities are reflected in the objectives of the Leeds City Region Strategic Economic Plan (SEP), specifically around Priority 4: Infrastructure for Growth.
- 2.2 The proposed HS2 scheme in itself will intrinsically help the City Region achieve this priority 4 objective. Our partner authorities, in developing their local plans, are mindful of the proposed HS2 alignment when allocating development sites and the WDES provides useful information about the likely impact of the proposal during construction and implementation.
- 2.3 From a strategic perspective, a greater level of certainty with respect to the final alignment, construction method (i.e. tunnels, viaducts, at grade etc.) and the resulting impact areas of the scheme would be helpful. This is particularly important as some partner councils are currently reviewing their local plans or have recently done so. Changes that results in planning blight of land (particularly on allocated sites) potentially poses a challenge for partner councils and ultimately may have a negative impact on the ability of partner councils to deliver the housing and employment growth to deliver the SEP growth aspirations.

- 2.4 As with any major infrastructure project, the impacts of the construction and operation of the HS2 would result in changes to the quality and character of neighbourhoods along the route. We expect that the individual planning authorities in the City Region will be responding to the WDES consultation addressing these localised issues.
- 2.5 This response is structured in three parts. The first part of the response deals with the wider issues that are relevant to HS2. The second part of the response deals with the Working Draft Environment Statement (WDES) and the final part deals with the Working Draft Equality Impact Assessment.

3 Leeds City Region Growth Strategy

- 3.1 West Yorkshire and our region's partners strongly welcome the arrival of high-speed rail to the UK's largest economy and population centre outside London. The Leeds City Region economy is the biggest outside London, worth over £65 billion and generating 5% of England's outputs. We have three million residents, a workforce of 1.9m, 119,000 businesses, fourteen further education colleges and nine higher education institutions, one of the largest concentrations in Europe. Our long-term vision is "to be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone".
- 3.2 The eastern leg of HS2, HS2 East, will reshape the economic geography of the UK. It will bring together the city regions centred on Leeds, Sheffield, Nottingham and Birmingham into a coherent and integrated economic zone of over ten million people, five million jobs and some of the UK's most significant manufacturing clusters. Maintaining the deliverability of the eastern leg to secure the benefits of HS2 is of paramount importance to the Combined Authority.
- 3.3 HS2 is much more than a transport project. It will act as a catalyst for regeneration and growth around our main transport hubs, it will improve connectivity to our towns and cities across the Leeds City Region and it will improve the skills and job opportunities for our workforce.
- 3.4 HS2 is part of our wider ambitions for inclusive growth across the Leeds City Region. This growth is essential in order to raise living standards and tackle deprivation, boost innovation, exports and create new jobs. HS2 helps to achieve our goals by strengthening business links, by opening up new markets and access to talent and by connecting people to jobs.
- 3.5 HS2 will be at the centre of a coherent strategy for improving the rail and transport network serving the Leeds City Region. The Growth strategy sets out six work streams to help transform the city region economy –

- A step change in connectivity for the city region – by increasing capacity, faster journeys, seamless interchange to bring people closer together to drive innovation, productivity and growth.
- A new world class gateway at Leeds station – providing a distinctive gateway into Leeds and the city region linking HS2 into the heart of Leeds and a connected place where national, regional and local transport services are integrated together.
- A catalyst for regeneration – supporting regeneration, urban development and housing growth both within Leeds South Bank and around other city regions transport hubs. Helping to double the size of the Leeds city centre economy.
- Inspiring our people – position the city region as a centre of excellence for skills development in rail including strengthening links with the high-speed college in Doncaster and the proposed Leeds University Institute for High Speed Rail. To inspire the next generation of engineers, technicians and infrastructure specialists.
- Developing our businesses and supply chain – increase awareness of the opportunities HS2 will bring and support innovators, entrepreneurs and investors to develop new and exciting products in rail engineering.
- A magnet for investment and a cultural destination – promoting the cultural assets of the region to encourage visitors and workers.

The Leeds City Region Growth Strategy can be downloaded from:

<https://www.westyorks-ca.gov.uk/transport/leeds-city-region-hs2-growth-strategy/>

4 West Yorkshire Transport Strategy

- 4.1 The Combined Authority has developed a new long-term strategy for West Yorkshire to deliver a modern high-class integrated transport system that supports the Leeds City Region Enterprise Partnership's Strategic Economic Plan (SEP).
- 4.2 The transport strategy 2040 vision is to 'Enhance business success and people's lives by providing modern, world-class, well-connected transport that makes travel around West Yorkshire easy and reliable'. To support this there are three key objectives:
- Economy: Create a more reliable, less congested, better connected transport network.
 - Environment: Have a positive impact on our built environment
 - People and Place: Put people first to create a strong sense of place.

- 4.3 The Strategic Transport Plan recognises that the rail network is the core of an integrated public transport system. It also recognises the need for both HS2 and NPR infrastructure to be designed to accommodate future growth and demand for all services (local, regional and national) and future proofed as far as possible. This must include major rail capacity improvement at and around Leeds station to ensure HS2 and NPR is not developed at the expense of affordably providing capacity for other rail service improvements.

The West Yorkshire Transport Strategy can be downloaded from:

<https://www.westyorks-ca.gov.uk/transport/transport-strategy/>

- 4.4 The strategy recognises the importance of cycling and walking and our ambition to encourage modal shift to public transport. We will welcome HS2 to incorporate these considerations as part of the HS2 design at Leeds station and along the route.

5 Strategic Economic Plan – Building from the North

- 5.1 The Combined Authority and Leeds City Region Enterprise Partnership (LCR LEP) has published the Strategic Economic Plan (SEP) for Leeds City Region, the SEP sets out four priorities for investment:
- Priority 1: Growing Business
 - Priority 2: Skilled People, Better Jobs
 - Priority 3: Clean Energy and Environmental Resilience
 - Priority 4: Infrastructure for Growth
- 5.2 The region will need excellent transport infrastructure to underpin connectivity and create the conditions that will facilitate innovation, trade and that will attract skilled people and investment as indicated by priority 4. The Combined Authority and Leeds City Region Enterprise Partnership (LCR LEP) are committed to working with HS2 Ltd, other public and private sector partners to align investments for mutual gain to provide clarity and certainty to investors national and internationally.
- 5.3 Any opportunity to realise benefits early should be pursued. Leeds City Region has long called for the project to be 'built from the North'. In practice this could mean opportunities to phase construction so elements of phase 2b could be opened earlier than the whole route and in particular starting to redevelop and build Leeds station as soon as possible.

5.4 We would like to work more closely with HS2 and the Government on understanding the evidence of the benefit of HS2 to UK plc. With important contracts being let over in the coming years, it is important that the Leeds City Region can benefit directly from the construction and operation of HS2. The procurements offer the opportunity to bring tangible benefits to a wider supply chain and to a wider labour pool and spread the benefits across the country. Leeds City Regions HS2 Growth Strategy identifies how local companies and local people can benefit. We would welcome HS2's involvement in both quantifying the local benefits and then helping to make sure they are delivered.

6 Maximising the benefits of HS2

6.1 In order for HS2 to achieve its full potential and ensure that the connectivity benefits are spread across the Leeds City Region, here needs to be continued investment in infrastructure and services prior to the delivery of HS2.

6.2 The rail network in the Leeds City Region is already capacity constrained. Significant enhancements are already committed through franchise improvements which will provide new services and additional rolling stock capacity. The creation of an additional platform 0 at Leeds and the associated signalling and track works will improve resilience at the station. Future improvements as a result of the proposed £3 billion Trans-Pennine route upgrade will provide further capacity and connectivity improvements within the city region.

6.3 Investment in the East Coast Main Line (ECML) is essential to ensure that HS2 phase 2b is to deliver its full potential. Work is needed to develop a clear plan for how the opportunities from capacity released on ECML south of York can be realised fully and also to ensure service levels and capacity north of York can be maximised. Research commissioned in 2016 for the East Coast Main Line Authorities (ECMA) indicates that investment in ECML would generate £0.3bn of additional GDP per year rising to £0.5bn if developed in conjunction with the HS2 proposals. Another study commissioned by HS2 East showed similar findings with the investment yielding benefits of £0.72bn when ECML upgrades are included but only £0.6bn for the HS2 eastern leg alone.

6.4 Both ECMA and HS2 East have agreed five common principles in relation to future investment in the ECML and maximising benefits from HS2 which are supported by the Combined Authority. These are as follows:

- Secure investment in the short-term and beyond - both the ECML and HS2 East should be part of a coherent strategy for the rail network as a whole.
- Getting the ECML ready – investment is required to maximise the benefits of the capacity release from HS2 to provide more direct services for towns and cities and better commuter services.
- Transforming stations and their surrounding areas to improve interchange and act as a catalyst for regeneration.
- Boosting productivity and changing economic geography.
- Invest in strengthening the link between Local Government and Central Government to infrastructure and services on the ECML

7 Working Draft Environmental Statement (WDES)

- 7.1 The Combined Authority acknowledges that the consultation on the Working Draft Environmental Statement (WDES) is an additional non-statutory stage of consultation that HS2 Ltd has introduced to try to resolve as many issues as possible prior to the hybrid bill being lodged with Parliament. In addition, the Combined Authority acknowledges that the WDES is based on a point in time design of the scheme, and has been in ongoing discussions with HS2 Ltd and partners particularly around the station and the depot. The Combined Authorities response to this consultation is on the proposals presented in the WDES, and takes the opportunity to reiterate the changes agreed with HS2 Ltd.
- 7.2 The Combined Authority has been unable to fully assess the impact of proposals due to the level of information provided across a number of areas in the WDES. The information regarding the environmental baseline is of particular importance when assessing the impact on traffic and transport, noise and air quality on local communities, the Combined Authority has requested for this to be shared at the earliest opportunity.
- 7.3 The Combined Authorities strategic aim with regard to the WDES response and the wider hybrid bill strategy is to secure an optimum High-Speed Rail final design that delivers the benefits set out in the Leeds City Region HS2 Growth Strategy, which is as sensitive as possible to local concerns and issues - through the appropriate type, level and quality of mitigation.
- 7.4 The WDES is split into a number of different reports. Some of these deal with the general matters, such as scoping and methodology of the environmental assessment and the route-wide and off-route effects. The others are the 'Community Area reports', which set out high level environmental impact assessments for specific areas along the route of Phase 2b. Of the 28 community areas, five cover West Yorkshire which are:
- LA14: South Kirkby to Sharlston Common
 - LA15: Warmfield to Swillington and Woodlesford
 - LA16: Garforth to Church Fenton (partly in Selby and North Yorkshire)
 - LA17: Stourton to Hunslet
 - LA18: Leeds Station
- 7.5 The route through West Yorkshire runs through a variety of different landscapes, traversing rural areas within the Wakefield district before encountering an ever-increasing urban landscape on its approach to the centre of Leeds.

- 7.6 Rather than respond to each Community Area in turn our response covers the route as a whole. Planning authorities our district partners in Leeds City Council and Wakefield Metropolitan District Council have provided their own detailed responses to the WDES. The responses provided here are complementary to those provided by our district partners.
- 7.7 The Combined Authority alongside district partners, HS2 Ltd and DfT has been involved in ongoing discussions in relation to the HS2 design. In a number of cases the Combined Authority is aware that HS2's plans have or are due to change. The response reflects the designs provided in the WDES.
- 7.8 Under the current HS2 proposals within West Yorkshire the 56km HS2 route will require the demolition of 15 residential and 60 commercial properties, 58 roads and 39 footpaths either closed or diverted, 755 hectares of land (a third of which is prime agricultural taken out of use) and 141 hectares of wildlife and woodland impacted. It will also affect 45 bus routes and rail services that operate along the Hallam, Pontefract, York & Selby and the East Coast Main Line. Construction of the HS2 line will require the development of 6 construction compounds supported by 53 satellite compounds.
- 7.9 The WDES sets out the impacts of HS2 across a number of environmental topics and the Combined Authority response is as follows:

Air quality:

- 7.10 The WDES does not provide a sufficient level of detail beyond a high-level statement indicating that measures will be implemented to manage dust, air pollution and odour during construction and that it is not predicted that there will be significant adverse route-wide air quality effects during operation.
- 7.11 A West Yorkshire Low Emission Strategy has been adopted by the Combined Authority and all West Yorkshire Partner Councils. This outlines measures to significantly improve air quality across the region and makes a series of recommendations which include planning and new development. The final environmental statement needs to be cognisant of its contents. The strategy can be downloaded from:
<https://www.bradford.gov.uk/media/3590/west-yorkshire-low-emissions-strategy.pdf>
- 7.12 The revised air quality action plan produced by Government in 2017 identified a number of cities across the UK that must deliver a clean air zone, including Leeds. This will be implemented in January 2020 and part of the HS2 route falls within the clean air zone. The implications of this in relation to construction and haulage etc must be reflected in the final environmental statement.

Ecology and Biodiversity:

- 7.13 Where HS2 is expected to have adverse environmental effects on existing green and blue infrastructure¹, mitigation measures should look to reinstate these features to a higher quality than was experienced prior to HS2 occurring. When developing mitigation responses how these interact with the wider green and blue infrastructure network should be considered and responses should not result in the establishment of green and blue infrastructure that cannot be accessed by the general public.
- 7.14 A common barrier to the implementation of green and blue infrastructure are the ongoing liabilities associated with the maintenance of such assets. Funding should be put in place by HS2 to ensure the green and blue infrastructure assets implemented are able to be maintained and managed to a high standard in the long-term.
- 7.15 The Leeds City Region has an ambition to become a resilient, zero carbon energy economy and recent modelling undertaken for the City Region's Energy Strategy and Delivery Plan suggests under a business as usual scenario CO2 emissions from transport are likely to rise by 28% by 2036. HS2 will contribute to the CO2 emissions that are emitted in the City Region therefore consideration should be given to incorporating measures which reduce the carbon footprint of the project to as low as possible e.g. incorporating renewable energy and energy storage into the design of new stations, tree planting and green spaces.

Socio-economics:

- 7.16 For those businesses that will be directly affected in terms of the need to relocate to new premises, a support scheme with funding to contribute towards relocation costs and associated professional advice on the required property specifications, would be welcomed. This would need to be implemented well in advance of the relocation dates in order for businesses to plan effectively and to minimise the impact on trading.
- 7.17 Leeds City Region has a current shortage of modern industrial property, and of sites capable of accommodating it, as is evidenced by a 60% increase over the last 12 months of businesses account-managed by the LEP's team of SME Growth Managers with outstanding property requirements. Therefore, it would also be welcomed if consideration could be given to the development of modern industrial units on any land in the City Region that HS2 has influence over in direct relation to the property requirements of those businesses that will need to relocate.
- 7.18 Consideration should also be given to providing some financial support to businesses that will suffer loss of trade as a result of congestion and delays caused by road closures in and around the proposed routes.

¹ For the purposes of this response and to ensure alignment with the Leeds City Region Green and Blue Infrastructure Strategy and Delivery Plan green and blue infrastructure is defined as a network of multifunctional green space, rural and urban, capable of delivering a wide range of environmental and quality of life benefits for local communities. It includes parks, open spaces, playing fields, woodlands, street trees, allotments and gardens, as well as rivers, canals and other water bodies.'

Traffic and Transport:

- 7.19 The Combined Authority recognises that the size and complexity of the HS2 project has the potential to cause disruption to the transport network in West Yorkshire and this will be over a prolonged period. There are a large number of road closures planned which will result in a significant number of traffic diversions. Displaced traffic will worsen congestion on surrounding roads and therefore increase journey times for all users. As the transport authority, we are concerned that this will have a negative impact on local bus services and the impacts will be felt far beyond the immediate HS2 construction area. It is also apparent from the WDES that existing rail operations could also be impacted for a significant length of time.
- 7.20 The Combined Authority is committed to working with HS2 Ltd and district partners to try and ensure that potential disruption from both HS2 construction and operation is kept to a minimum. This requires a phased and co-ordinated programme to ensure that public transport provides the optimum solution for travel in those areas impacted by HS2 construction.
- 7.21 We require a detailed forward plan to ensure that the Combined Authority is proactive rather than reactive to impacts of HS2 construction and operation. This will ensure we can plan in proposed changes to public transport and work with both bus and rail operators to ensure that we can get the appropriate messages out to passengers.
- 7.22 The WDES states that the potential impacts on traffic and transport have been assessed qualitatively but no quantitative assessment has been undertaken at this stage and this will be presented in the final environmental statement. The Combined Authority requests that this information is made available as soon as possible to ensure we can work with HS2 Ltd and other stakeholders to ensure that negative impacts on the road and rail network are reduced as much as possible.
- 7.23 Leeds City Council has put forward the following 'Network Management Principles' which the Combined Authority fully endorses –
- Off line construction solutions should be considered at strategic locations on the road network where practicable – to avoid lengthy closures of the strategic road network where possible.
 - Maintain the functionality of Leeds station and its environs during construction – protecting bus routes from delays and ensuring pedestrian connections are maintained.
 - Planning for the effective phasing of road closures - mitigate the impact on the highways network with a comprehensive network management plan.
 - Mitigation according to hierarchy of impact – The acceptability and sequencing of proposed road closures will depend on the location, duration and severity of the impact. These should be modelled in the appropriate software package.

- Maintaining network resilience and managing the cumulative network impact – the resilience of the road network should be preserved with the closure of no more than two bridges during the same time period with sufficient separation between the locations, alongside the closure of no more than one key adjacent radial or parallel route during the same time period.
- Maintaining public transport accessibility and provision for walking and cycling – where public transport routes require diversion, the alternative route should offer a comparable journey time and level of accessibility. The park and ride offer should be maintained given the importance of this infrastructure in removing traffic from the highway network in Leeds city centre. Provision for non-motorised users should be maintained across all routes and the length of diversions minimised where possible.

Impacts on bus services:

- 7.24 Across West Yorkshire a number of routes will be affected during both HS2 construction and operation. In total (from our evidence) we estimate that 45 different routes (covering a number of services) will be impacted which equates to 238 bus movements per hour. The levels of potential disruption varies across different routes but many services will be impacted for a couple of years to allow for road closures whilst HS2 is constructed. In certain circumstances, services will be permanently diverted.
- 7.25 With regards to bus services, increasing journey times will result in increased costs for operators and potentially lead to a reduction in use with passengers switching to their cars if bus services become less reliable. Increasing costs and reducing revenues will impact on the viability of some bus operations and where services are being diverted, we would expect support from HS2 to offset additional costs. For temporary diversions it may be appropriate to provide infill services to ensure communities are not isolated in terms of public transport provision. Where a service is permanently diverted we would expect bus shelters and real time display units provided as standard on the new route.
- 7.26 Of particular concern to the Combined Authority are bus services which operate via the Stourton area and through the southern part of Leeds city centre. These will face significant disruption and it is important to recognise that many of the impacted services operate into Wakefield and Kirklees and therefore potentially impacting services over a wide area. We are willing to explore options with HS2 Ltd to ensure that bus passengers are not adversely impacted by the construction and operation of HS2 and that the mitigation measures are covered in the final environmental statement.
- 7.27 New bus based park and ride facilities at Elland Road and Temple Green have been extremely successful removing 8,000 car journeys a week on busy city centre roads, reducing congestion and improving air quality. It is vital that access to these sites is maintained during HS2 construction and this includes access to the proposed new park and ride site at Stourton. It is noted that under current proposals, the Temple Green site will temporarily lose 170 spaces whilst the HS2 depot is constructed. We understand that plans for the depot have potentially been revised and this may no longer be an issue but the Combined Authority reaffirms that the park and ride facility should be maintained at full capacity throughout the construction of depot.
- 7.28 In conjunction with HS2 and district partners we are keen to develop strategic transport solutions for key parts of the network impacted by HS2 construction. This could include the development of temporary park and ride sites. The potential for these and other innovative solutions should form part of a comprehensive transport assessment network management plan as the final environmental statement is developed.

Impacts on Rail Services:

7.29 The WDES acknowledges that the construction of HS2 will result in works that will potentially impact on Network Rail assets and therefore result in potential disruption to passenger and freight movements. It also states that where possible works will be undertaken where possible at the same time as planned renewals by Network Rail, by short overnight stages or longer closures over weekends and bank holidays.

7.30 The WDES contains very little if any detail on potential possessions apart from general comments that rail possessions could result in disruption to rail services and the impacts will be reported in the formal environmental statement. Any long-term rail closures will have a significant impact on both local commuter services, national routes as well as freight. The following lines in West Yorkshire will be impacted:

- Doncaster to Wakefield Line – used by up to 252 services per day. Links Leeds and Wakefield to London, West Midlands, Sheffield and the South West. Operators include Northern, LNER and Arriva Cross Country. It is also an important freight route.
- Pontefract to Wakefield Line – used by up to 82 services per day. Links Leeds and Wakefield to Knottingley and Bradford / Wakefield to London via Pontefract. It is an important freight route which includes biomass services to Drax Power station. Operators include Northern and Grand Central.
- Leeds to Selby/York Line – Used by up to 334 services per day. It links Leeds to York and the North East as well as Selby and Hull. Many services originate in Manchester and Liverpool as well as the West Midlands and the South-West. Operators include Northern, TransPennine Express and Arriva Cross Country.
- Hallam Line – Used by up to 222 services per day. It links Leeds to Wakefield Kirkgate, Castleford, Sheffield and beyond. It is used predominantly by Northern Trains as well as freight services.

7.31 Closure of any of these lines for a prolonged period will cause a significant inconvenience for rail passengers as there are no other strategic routes on which rail services could be diverted (phased closure may provide an alternative in some circumstances). The use of rail replacement bus services needs to be avoided where possible as the road network will already be congested as a result of road closures and diversion.

7.32 The impact and phasing of the proposed Trans Pennine Route upgrade also needs to be factored into the final environmental statement. Whilst the line is upgraded between Ravensthorpe and Leeds, TransPennine services could be diverted via Healy Mills, Wakefield and Woodlesford onto the Hallam Line. This would not be possible if the line is closed for HS2 works. We would welcome the opportunity to work closely with HS2 Ltd on the detailed plan of implementation in order that the impact on commuters and businesses could be minimised during construction.

Leeds HS2 station:

7.33 The existing Leeds station is already the busiest transport hub in the North of England and the aspiration is that the HS2 station will seamlessly integrate with the existing station (including NPR) to create a world class gateway into Leeds and the wider city region. The Leeds Integrated Station Masterplan sets out a compelling vision for the transformation of Leeds station and is available to download from:

<https://southbankleeds.co.uk/assets/documents/2017.11.03-Leeds-Integrated-Station-Masterplan-LR-v6-DS.pdf>

7.34 The South Bank in Leeds is a 235 hectare site and one of the largest regeneration initiatives in the country. The HS2 station in Leeds sits in the heart of these proposals and Leeds City Council have produced a supplementary planning document which includes policies aimed at better integrating the northern and southern halves of the city centre and preparing for the arrival of HS2 and transformation of the existing station. The policies were developed in collaboration with local stakeholders, landowners and businesses. HS2 need to be cognisant of these proposals as they develop plans for the city centre station. The supplementary planning document can be downloaded at <https://southbankleeds.co.uk/shapeyourcity>

7.35 The Combined Authority along with Leeds City Council, Network Rail, DfT, MHCLG, London & Continental Railways Ltd and HS2 are working in partnership to develop plans for the Leeds HS2 station which is sited in the key regeneration zone of the South Bank. There are a number of elements in the WDES covering Leeds station which need considering further as work progresses including:

- The requirement for passive provision for two-way mass transit along Neville Street including under the dark arches in addition to the proposed pedestrianisation.
- A physical high-quality connection between the HS2 and existing station. This should include a new overbridge into and across the existing station and a functional roof structure between the two to provide an integrated station.
- The provision of a Southern entrance to the HS2 station to maximise regeneration and connectivity to the South Bank area of Leeds, proposed car park and multi-modal transport connections.
- The development of a bus interchange facility, taxi pick up/drop off and passive provision for mass transit at new Southern Interchange to promote multi-modal transport connections.

- The possibility of relocating the proposed HS2 station pickup drop off point adjacent to the central concourse to enhance connections between Temple Works and the proposed city park.
- The provision of east to west and south to north connectivity for pedestrians and cyclists within the footprint of the HS2 station.

Interface with Northern Powerhouse Rail Services:

7.36 Northern Powerhouse Rail (NPR) will help transform the economy of the North of England by significantly improving the capacity, frequency and journey time of rail links between the region's main economic centres. The emerging vision for the scheme in and around Leeds includes:

- Faster Transpennine links between Manchester and Leeds, either via a new line serving Bradford, or an upgrade akin to a new line via Huddersfield.
- Leeds to Sheffield delivered through HS2 Phase 2b including a touchpoint at Stourton and upgrading the route from Sheffield.
- Leeds to Newcastle via a junction off HS2 including a touchpoint near Garforth and significant upgrades to the East Coast Mainline
- Significant upgrades to the existing line from Leeds to Hull (via Selby)

7.37 Combined together, the proposals represent a network that will improve services across the region and provide the potential for seamless rail travel across cities in the North from Liverpool to Hull. Both NPR and HS2 are integral parts of the North's rail network and it is essential that they are planned as part of the network and not in isolation to it, within the approach to strategic rail defined in Transport for the North's Strategic Transport Plan.

7.38 Regional and local rail services extend the reach of HS2 and NPR by offering connections via hub stations to places not directly served. Taken together, HS2 and NPR will make significant direct contributions to the connectivity and capacity themes and will provide new high-speed services across and from the North that better meet customer expectations. It is also likely that significantly enhanced rail services will lead to a growth in use especially in the numbers of passengers interchanging in Leeds Station.

7.39 To ensure that the benefits from both HS2 and NPR are realised by utilising spare capacity on HS2 infrastructure it is important that the touchpoints between the two networks are delivered in full and final environmental statement needs to reflect the importance of the touchpoints to the local, regional, NPR and HS2 networks:

- Clayton touchpoint - improves journeys times and service frequencies between Sheffield and Leeds using the HS2 eastern leg. A junction at Clayton has already been included in the scope of HS2 Phase 2b to enable future NPR and HS2

services at Sheffield Midland station to connect onto HS2 to travel towards Leeds, the North East and Scotland.

- Stourton touchpoint - connectivity into Leeds from the South, via a new HS2 junction at Stourton which would enable services through Leeds to the North East and Scotland.
- Garforth touchpoint - a junction at Garforth to enable NPR services from the West to connect onto HS2 to the east of Leeds, thereby connecting Manchester and the North West to the North East

South Yorkshire Parkway Station:

7.40 We appreciate that two intermediate parkway stations are proposed by TfN on the Leeds and Sheffield route. We would welcome further opportunities to work with HS2 and TfN to understand the viability, cost, regeneration and wider benefits of the both locations. We would also like to understand the potential opportunities to stop the HS2 classic compatible services beyond Sheffield onto destination further north and explore the possibilities of stopping both HS2 and NPR services at the potential parkway locations.

HS2 Rolling Stock Depot:

7.41 The Combined Authority welcomes the location of a rolling stock depot in the Leeds Enterprise Zone. The rolling stock depot will bring skilled jobs to the Leeds City Region and be a key part of our ambition to be an international centre of excellence in light and high-speed rail as we seek to maximise the benefits of this investment.

7.42 The Rolling Stock Depot (RSD) covers 16 hectare of land within the Leeds Enterprise Zone. Based on the site masterplan this equates to the loss of almost 600,000 sq ft of employment floorspace on land which was immediately available for development. As part of the enterprise zone offer, Enhanced Capital Allowances are available on the Gateway 45 site for companies commencing operations before April 2020. The RSD proposal makes this incentive irrelevant given the blight and uncertainty caused and the lead in time for new units for specific end users to be delivered. Aire Valley Land, the developers at Gateway 45 are currently remediating the former water treatment filter beds, with this work due to complete in early 2020. It is only at this point that development can commence meaning that Enhanced Capital Allowances will not be available for any interested businesses. This impacts substantially on the ability to secure inward investment into the city and support existing businesses to grow and expand. In recognition of this loss, the resetting of the Enhanced Capital Allowance incentive is sought as well as the designation of additional land adjacent to Gateway 45 as an Enterprise Zone, or alternatively other sites to the equivalent size within the wider city region.

- 7.43 It is estimated that circa £1m per annum of business rates will be lost in the short to medium term due to the loss of employment floor space and up to circa £19.5m over the full business rate retention period to 2037. These figures are based on projected commercial development floorplates and business rates income expected, following masterplan appraisals. The land taken by the RSD was immediately available for development. However, the impact is greater than this due to the blight which has been caused and the need to remediate further areas of land prior to development being commenced. This includes the former water treatment filter beds and effectively means that further employment development cannot come forward at Gateway 45 until 2020 at the earliest.
- 7.44 It is acknowledged that the future rolling stock depot facility will contribute rates, but given that business rates are to be retained by the Combined Authority until 2037 as part of the enterprise zone designation, and high level assumptions have been made around their future use/investment, the delay in drawing in the rates income now leaves a pressure for Combined Authority future budget planning and jeopardises the deliverability and business case for investment in our other enterprise zones sites across the city region. Compensation for the loss of income to the Combined Authority is therefore sought which was programmed to be used to support other projects to deliver economic growth across the city region. In addition, compensation is sought for the incurred £30,000 of technical fees by the LEP and Revolving Investment Fund in the assessment, evaluation and development of a loan agreement for development on the affected site which can no longer proceed.
- 7.45 A great deal of work has been undertaken between HS2, Leeds City Council and the Combined Authority which has resulted in the depot boundary being amended, culminating in the plan issued by the Secretary for State in July 2018. Whilst this is welcomed, it is imperative that HS2 continue to work closely with the University of Leeds and Aire Valley Land to ensure that there is alignment between development proposals including the physical boundaries being worked to as well as the access routes required for the rolling stock depot and those defined to access the remaining development land.
- 7.46 From economic modelling undertaken for the entire Gateway 45 site, it is estimated that through the loss of employment floorspace required by the rolling stock depot, the potential to create 2320 jobs is now at risk as well as the ability to increase GVA by circa £113m. This should be reflected in the targets identified for the Leeds enterprise zone and re-profiled to reflect the timescale for the rolling stock depot being delivered as well as the job numbers anticipated.

8 Working Draft Equalities Impact Assessment.

- 8.1 The Leeds City Region HS2 Growth Strategy sets out how the Leeds City Region will work with Government, business, schools, colleges and universities to maximise the benefits of HS2. Developing inclusive growth that is accessible to all is vital to transforming our economy and HS2 will act as a catalyst for regeneration and growth around our main transport hubs. Early consideration of equality issues will help the engagement process with those that will be affected along the proposed route and assist the challenges arising from both the construction period and where relocation of property's, businesses and facilities etc. is required. Businesses affected will need support in order to minimise disruption to their business operations and potential jobs losses. A number of facilities identified along the route enable health benefits to their users. It is important that these benefits are not lost and that they are successfully relocated and remain accessible to existing users.
- 8.2 The Combined Authority responded to the Department for Transport's 'Accessibility Action Plan Consultation' last year. Delivering a more accessible transport system which meets user needs and reduces barriers to travelling needs to continue. Taking into consideration our ageing population and those with long term health conditions it is important that these groups are considered throughout the process in order to ensure there are no physical barriers to travel. Inclusive design of physical environments is needed to ensure the same opportunities are available to all.

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Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Minutes for Information**

Director: Angela Taylor, Director of Resources

Author(s): Ruth Chaplin

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

1. Purpose of this report

- 1.1 To provide Members with details of the minutes of committees and panels that have been published on the West Yorkshire Combined Authority’s website since the last meeting.

2. Information

- 2.1 The following minutes have been published on the West Yorkshire Combined Authority’s website and can be accessed [here](#):

- Transport Committee held on 21 September 2018 & 9 November 2018
- Overview & Scrutiny Committee held on 16 November 2018
- Business Innovation & Growth Panel held on 27 November 2018 (Draft)
- Employment & Skills Panel held on 29 November 2018 (Draft)
- Inclusive Growth & Public Policy Panel held on 4 December 2018 (Draft)
- Investment Committee held on 5 December 2018 and 9 January 2019

3. Inclusive Growth Implications

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

4. Financial Implications

4.1 There are no financial implications directly arising from this 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.

8. Recommendations

8.1 That the minutes of the Combined Authority's committees and panels be noted.

9. Background Documents

There are no background documents referenced in this report.

10. Appendices

None.