

OVERVIEW AND SCRUTINY COMMITTEE

**MEETING TO BE HELD AT 11.00 AM ON FRIDAY 12 JULY 2019
IN COMMITTEE ROOM A, WELLINGTON HOUSE, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING HELD ON 22 MARCH 2019**
(Pages 1 - 8)
- 5. NOTES OF THE INQUORATE MEETING HELD ON 24 MAY 2019**
(Pages 9 - 10)
- 6. GOVERNANCE ARRANGEMENTS FOR 2019/20**
To note the standing orders and terms of reference
(Pages 11 - 30)
- 7. CHAIR'S UPDATE**
(Pages 31 - 32)
- 8. SCRUTINY WORK PROGRAMME 2019/20**
To agree topics for scrutiny this year
(Pages 33 - 46)
- 9. LOCAL INDUSTRIAL STRATEGY DEVELOPMENT**
To comment on the development of the Local Industrial Strategy
(Pages 47 - 68)
- 10. OVERVIEW AND MONITORING REPORT**
As requested by the Committee at the May 2019 meeting
(Pages 69 - 76)
- 11. DATE OF THE NEXT MEETING - 13 SEPTEMBER 2019**

Signed:



**Managing Director
West Yorkshire Combined Authority**

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON FRIDAY 22 MARCH 2019 AT COMMITTEE ROOM A, WELLINGTON HOUSE, LEEDS

Present:

Councillor Liz Smaje (Chair)	Kirklees Council
Councillor Stephen Baines MBE	Calderdale Council
Councillor Glenn Burton	Wakefield Council
Councillor Ian Cuthbertson	City of York Council
Councillor Ashley Evans (Substitute)	Calderdale Council
Councillor Dot Foster	Calderdale Council
Councillor Tina Funnell	City of York Council
Councillor Graham Isherwood	Wakefield Council
Councillor David Jenkins	Leeds City Council
Councillor Marielle O'Neill	Kirklees Council
Councillor Mike Pollard	Bradford Council
Councillor Denise Ragan	Leeds City Council
Councillor Betty Rhodes	Wakefield Council
Councillor Rosie Watson	Bradford Council

In attendance:

Khaled Berroum	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Councillor Kim Groves (Minute 52)	Chair, Transport Committee
Dave Pearson (Minute 52)	West Yorkshire Combined Authority
Alan Reiss (Minute 52)	West Yorkshire Combined Authority
Ben Still (Minute 53)	West Yorkshire Combined Authority
Henry Rigg (Minute 53)	West Yorkshire Combined Authority

47. Apologies for absence

Apologies for absence were received from Councillors James Baker, Helen Douglas, Peter Harrand and Paul Kane. Councillor Ashley Evans was in attendance as substitute for Councillor James Baker.

48. Declarations of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

49. Possible exclusion of the press and public

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

50. Minutes of the meeting held on 18 January 2019

Resolved: That the minutes of the meeting held on 18 January 2019 be approved.

51. Chair's update

The Chair informed the committee that:

- She had advised the Combined Authority on the adoption of a new conflicts of interest policy and protocol that would cover the resolution of conflicts including those arising from LEP board and panel members applying for LEP business grants and loans. Previously, the policy required the Chair of Overview and Scrutiny to be consulted when conflicts on LEP grants arose.
- The Leeds City Region LEP and the York, North Yorkshire & East Riding LEP were not yet in a position to put forward final recommendations to their respective boards regarding the creation of a new LEP. Discussions are still ongoing regarding decision making structures, secretariat and officer support functions, accountable body and legal personality.
- The 'One Yorkshire' devolution proposal put forth by 18 of the region's council leaders last year had been rejected by the government. The leaders are due to meet with ministers later this year to discuss a new way forward.

Members expressed frustration and disappointment with the reported developments on devolution. They expressed concern that the continuing absence of a deal will mean that the region will continue to miss out on needed funding and fall further behind other regions with devolution in place.

Resolved: That the Chair's update be noted.

52. Strategic transport priorities

The Committee considered a joint report of the Director of Transport Services and Director of Policy, Strategy and Communications providing an overview of strategic transport priorities. The following were in attendance for this item:

- Councillor Kim Groves, Chair of Transport Committee
- Dave Pearson, Director of Transport Services
- Alan Reiss, Director of Policy, Strategy and Communications

Members expressed concern about reports that planned changes to Combined Authority guidelines for the provision of school bus services would lead to a reduction in services that many students and communities rely on. Some Members informed the Committee that they and many of their constituents had not been aware of the plans or the consultation until

hearing about it on the news. The Committee was informed and assured that:

- The reduction in the transport levy paid by the West Yorkshire councils had created a challenge for the Transport Committee to find efficiency savings without affecting progress towards strategic aims.
- The draft guidelines were approved by Transport Committee in May 2018 pending consultation. The consultation was still underway and is expected that the Transport Committee will review the feedback in May 2019 prior to setting new guidelines.
- The Combined Authority would take a pragmatic approach and consider all options, as an increase in car use and road traffic was contrary to strategic transport aims.
- The consultation on Combined Authority school bus service guidelines would not affect existing criteria set by district councils, who currently determine eligibility criteria for some support schemes.

The Committee discussed the challenge of connecting communities, ensuring that services are customer focused and linking housing, employment and transport policy more effectively. It was reported that:

- The Combined Authority supported the establishment of the Bus Alliance which would provide the Transport Committee with a forum to tackle issues of mutual concern, such as connectivity, and foster greater cooperation between stakeholders in this area.
- It is understood by all partners that current connectivity links could be improved and that there was a lot of work to do.
- The Bus Alliance's number one priority is to consider different, possible models to redesign bus operations to better deliver services to, and connect, all communities.
- There is a challenge in bringing bus operators together in the context of existing legislation on bus deregulation and the absence of devolved powers with regards to bus franchising and services which limits the possible models that can be considered.
- The efficiency savings required by the reduction in the transport levy paid by the West Yorkshire councils had created an additional challenge as this necessitates a reduction in services funded by the Combined Authority.
- The Transport Committee is currently considering reviewing the format of its District Consultation Sub-Committees (one for each district) in order to improve the interface it provides between public transport users and transport operators.

In other strategic transport work, the Committee learned that:

- The Rail Forum and Bus Alliance – both overseen by the Transport Committee – aim to share information to ensure that disruptions to service use arising from infrastructure projects can be managed, such as any rail works that might disrupt a rail service and lead to an increase in use of particular bus services.
- Although 'Northern Powerhouse Rail' is a Transport for the North (TfN) / Department for Transport project, the Combined Authority has been involved in the strategic conversations and supported TfN to develop the strategic business case.

- The Combined Authority has allocated a resource to lead work on developing a West Yorkshire air quality strategy and coordinate with district councils to ensure strategic alignment.
- Although the Transport Strategy 2040 acknowledges that road freight and Heavy Goods Vehicles (HGVs) will continue to be a presence on roads, the Combined Authority and TfN are working to improve rail freight to help alleviate road traffic issues and reduce the disproportionate amount of pollution HGVs emit.

Following questions and discussion, the Committee **concluded** that:

- A possible topic for scrutiny to consider further and investigate is how different regional partners approach, coordinate and market consultations to the public. Although it appeared that there were many consultations being conducted by many different partners, many people are still not aware of them while they are ongoing and do not get a chance to put forth their views.
- Any planned revision of guidelines to the provision of school bus services should take care not to lead to a reduction in services that many students in poorly connected communities rely on or an increase in car usage which would be contrary to strategic ambitions relating to inclusivity, connectivity, clean growth and air quality.
- Too many people are not sufficiently connected to economic and educational opportunities and, although the Combined Authority is not a planning authority and does not build and manage housing stock, it could possibly play a strategic, enabling role in ensuring there is sufficient intersection between housing, transport and skills policy and to ensure that stakeholders are taking into account all possibilities.
- Some examples of issues arising out of a possible lack of coordination between housing, transport and employment policy areas include:
 - On some routes, the issue of wheelchair versus pushchair priority and limited space on buses is a bigger issue due to the demographic profile of the housing developments they service. Some are communities with many young families and disproportionately higher pushchair use or older communities with higher use of mobility aids.
 - In some areas bus services stop running after a certain time, often as early as 6.00 pm, despite those areas having large number of shift workers who often work on employment sites which are already relatively inaccessible via public transport.
 - Population growth and projections seemingly not influencing bus / rail timetables and services during revision, leaving some services at some stations to be perpetually overcrowded.
- The absence of devolution sees the region continue to miss out on vital funding and powers. New devolved powers with regards to the bus network and franchising would likely allow for a different

approach to coordinating bus services to fulfil strategic aims and community needs. Half of the total funds committed by the government in the Transforming Cities Fund to improve transport connectivity was reserved for certain mayoral authorities such as Greater Manchester and West Midlands, leaving the West Yorkshire Combined Authority to have to competitively bid for part of the remaining half of funds.

The Committee also **requested** that:

- A possible item on how regional partners approach, coordinate and promote consultations to the public be added to the scrutiny work programme.
- Scrutiny members are briefed on the Transport Committee's emerging work on cycling & walking when suitably progressed.
- The 'Your Voice' web link for the current consultation on the Connectivity strategy / plan be shared with scrutiny members so they can input their views.
- Further information on the consultations on the provision of school bus services and the connectivity strategy be provided when available.
- Scrutiny's Transport Working Group continue to consider the issues of mobility and digital inclusion in transport and report back to a future meeting.

Resolved:

- i) That the report be noted and the Committee's feedback and conclusions be considered further.
- ii) That the additional information requested by the Committee be circulated to Members following the meeting.

53. Business grants criteria and inclusive growth

The Committee considered a report of the Executive Head of Economic Services providing a follow up to the business grants item considered by the Committee on 14 September 2018. The report included:

- a performance analysis of the first six months of inclusive growth criteria for the Business Growth Programme (BGP),
- an assessment of the implications of extending inclusive growth criteria to all business grants programmes and;
- the proposed options for new core and inclusive growth criteria (appended to the report) for the Committee's consideration.
- an update on implementation of the Committee's other recommendations, suggestions and ideas on business grants put forward at the 14 September 2018 committee meeting.

The following were in attendance for this item:

- Ben Still, Managing Director
- Henry Rigg, Head of Business Support

Following questions, the Committee **discussed**:

- How the current policy within the Apprenticeship Grants for Employers (AGE) scheme to promote higher wages for apprenticeships than the legal minimum and not penalise young people was welcome.
- The importance of helping to combat the trend of apprentices being used as cheap, menial labour and protect apprenticeships as valuable alternative learning opportunities that lead to meaningful, long term work as a primary outcome.
- That further work may be needed to analyse the profile of the businesses currently applying for and receiving grants to ensure that the right businesses, with the right practices and circumstances, are being captured by the grant programmes and allow any gaps to be remedied in future programmes.

The Committee requested additional information on:

- How many grants have been given and jobs pledged for the Digital Inward Investment Fund since the publication of papers.
- How many of the apprenticeships currently on the AGE programme are higher level apprenticeships and how many apprenticeships on the previous iteration of the AGE programme (2015-17) were higher level apprenticeships.

Regarding the new proposed inclusive growth criteria for business grants due for consideration at the LEP Board meeting on 26 March 2019, the Committee concluded that the LEP should consider the following **recommendations**:

1. The Committee's previous recommendation that inclusive growth criteria should be extended to all current and future business grant programmes at all grant award levels be maintained.
2. In order not to discourage some businesses from applying because the real living wage requirement is too difficult, an additional programme of support and assistance could be put in place to help applicants rise to a level where they are able to meet the necessary wage requirement (within a certain time period). Another option is offering a reduced grant or withholding the full amount to applicants unable to meet the real living wage requirement (within a certain time period).
3. In order to better support small businesses, the commitment to "pay all suppliers within 30-60 days" should be significantly strengthened and the required timescale be reviewed with a view to reducing it if possible. It was noted that some partner councils have adopted two weeks as the maximum payment window.
4. Although a reduction in the required payment timescale might have a knock-on effect on a supply chain if a small businesses is required to pay their suppliers sooner than they are paid themselves, this issue was worth pushing for and Combined Authority and LEP could also

take a leading advocacy role to promote the practice of paying suppliers on time to ensure the overall health of local supply chains.

5. There should be a programme of support in place for each commitment to help applicants meet requirements and ensure there is greater uptake of the 'harder' commitments with a highly inclusive social outcome – such as employing people with disabilities or health issues. There is a danger that, if given a choice, applicants will opt for 'softer' commitments or commitments which come with further support and grants to help them further, such as the "energy audit" and "working with colleges / schools" – as the data from the first six-months review suggests.
6. The commitment to "employ local people with disabilities or health issues" should be more strongly promoted to applicants and strengthened with a programme of additional support for businesses seeking to commit to that option. That commitment is one of the most necessary and inclusive options on the list with a high value social outcome.
7. There should be a stronger commitment to promote, incentivise, support and monitor higher level apprenticeships paid at living wage levels that conclude in long term, good employment for young people.

Resolved:

- i) That the report be noted and the Committee's feedback, conclusions and recommendations be considered further.
- ii) That a supplementary note outlining the recommendations made by the Committee regarding business grants criteria be tabled at the LEP Board meeting on 26 March 2019.
- iii) That the additional information requested by the Committee be circulated to Members following the meeting.

54. Scrutiny Work Programme 2018/19

The Committee received a report of the Scrutiny Officer outlining the Scrutiny Work Programme for the 2018/19 municipal year. A revised version of section 3.8 ("Scrutiny") of the assurance framework, drafted by Scrutiny's LEP working group, outlining a new process for pre-decision scrutiny was also appended to the report for agreement.

The Committee requested that:

- Due consideration be given to the importance of the energy strategy and work relating to alleviating fuel poverty in the scrutiny work programme.
- The Combined Authority and LEP make available to scrutiny a longer term forward plan so scrutiny can better maintain an overview of key

work and decision timescales so that scrutiny can better decide which decisions, policies and strategies to scrutinise further.

- Key decisions be published as soon as they are known to be key decisions and not only at the 28 day statutory minimum.
- There be a greater follow up on issues scrutiny has considered in the past to ensure the committee is kept briefed on progress and developments and to allow scrutiny to more formally monitor the implementation of recommendations made by scrutiny.

In response, the Committee was informed that while projects often have shifting and tentative timescales, work was underway to improve the processes by which project development is reported to scrutiny. Members of scrutiny's LEP working group are due to review examples of project documentation from different development stages so members can assess where scrutiny can best add additionality. The Working Group also reported the progress of their ongoing work in developing a process to engage more closely with the assurance process and strengthen pre-decision scrutiny of projects.

The Chair informed members that the Combined Authority's Senior Leadership Team (SLT) has been asked to support scrutiny's work programming next year by outlining key pieces of work and significant decisions planned or expected in the 2019/20 municipal year. It was also suggested that 2019/20 work programming take place in a workshop setting to give members more time to form the Committee's work going forward.

The Chair noted that some members were standing down as Councillors at the upcoming local elections. The Committee thanked them for their contribution to the Committee's work over the years and wished them the best going forward. Members and substitutes standing down were Councillors Helen Douglas, Tina Funnell, Marielle O'Neill, Anne Reid and Sam Lisle.

Resolved:

- i) That the agenda forward plan and scrutiny work programme for the 2018/19 municipal year as outlined in **Appendix 1** be noted.
- ii) That the changes in membership and substitute arrangements highlighted in 2.24 be noted.
- iii) That the Committee's feedback and requests be considered further and reported back.
- iv) That the LEP scrutiny working group's proposed wording for Section 3.8 (entitled: "Scrutiny") of the Assurance Framework (Appendix 2) be supported and approved.

55. Date of the next meeting – 24 May 2019

NOTE OF THE INQUORATE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON FRIDAY 24 MAY 2019

Present: S Baines, J Baker, H Ellis, D Jenkins, P Kane, S Nazir, E Pearson, M Pollard, L Smaje, R Watson

(*Guests:* K Berroum, S Hinchcliffe, L Porter, M Nolan, B Still)

Apologies: I Cuthbertson, D Foster, G Isherwood, D Ragan, B Rhodes

The meeting was inquorate. 10 members present. 12 needed for quorum.

The Chair informed members about she had been invited to a member's workshop on strategic approach to risk by the Governance and Audit Committee and provided members with a quick overview of proposed changes to Scrutiny Standing Orders.

Members discussed the draft 2019/20 corporate plan, proposed key performance indicators (KPIs) for 2019/20 and achievement against KPIs set in the existing 2018/19 corporate plan. Comments included:

- Should be a greater mention of scrutiny in the corporate plan.
- The sections on environmental work and outcomes should be expanded.
- Whether the Combined Authority has joined councils in formally declaring a climate emergency should be clarified.
- The ongoing Skills Commission be mentioned in corporate plan and KPIs as a key piece of work next year.
- Corporate plan does not appear to take into account or mention district council strategies and work.
- There could be better crossover between the main four goals, eg how '21st century transport' policies support achieving 'clean growth' and vice versa.
- Should be a greater focus and reference to outcomes for customers and people throughout. How will a certain policy affect people?
- Corporate plan should be aimed at a public audience – perhaps a summary version could be produced or an 'animation' similar to the one produced to promote the budget.
- There should be a greater differentiation between strategic KPIs/targets and 'business as usual' management performance KPIs.
- If any KPIs are expected to finish mid-year, there should be a consideration and explanation of what happens next.
- The upcoming major review of scrutiny should be included as a KPI for Legal & Governance Services.
- Some members suggested that the internal apprenticeship target was too low, and could aim for more than the minimum required by the levy.
- Raising the profile of the Combined Authority and its work should also be a key priority.

Members requested briefing notes providing more detail on:

1. Overview of low uptake in AGE grant programme PHASE 2 and which grant criteria was changed to increase uptake.
2. Explanation of current/planned work on procurement policy with regards to local supply chains in the region.
3. Background info on upcoming the 'Climate Summit' and Blue & Green Infrastructure Plan/Strategy.
4. Overview of Broadband rollout and the 'ongoing challenges in contract 2' mentioned in the report.
5. Further information on the Growing Places Fund and planned changes to its delivery.

Members were happy with the scrutiny annual report and discussed the following matters relating to scrutiny:

- A workshop be held on 28 June 2019 to consider the work programme for the year ahead in a more focused and detailed way.
- The Combined Authority's senior leadership team was asked to provide a report providing an overview of the key decisions, policies, strategies and service changes planned in 2019/20.
- A standing 'overview report' item was suggested. It would act as a monitor to update scrutiny members of implementation of post recommendations or developments on issues they have previously considered e.g. industrial strategy, apprenticeships, floods etc
- Members were urged to include the energy strategy, climate issues and fuel poverty on next year's work programme by departing member, Cllr D Jenkins.
- The committee should consider more external facing scrutiny next year, more site visits and discussing issues with the people affected by them, not just interface with officers.
- Members were provided with a short summary of the new statutory guidance and noted in particular the sections on raising scrutiny's profile, organisational culture, the creation of executive-scrutiny protocols and training for scrutiny members.



Report to: Overview and Scrutiny Committee

Date: 12 July 2019

Subject: **Governance arrangements for 2019/20**

Director: Angela Taylor, Corporate Services

Author(s): Khaled Berroum, Scrutiny Officer

1. Purpose of this report

1.1 To note the governance arrangements agreed by the Combined Authority at its annual meeting on 27 June 2019 pertaining to the Overview and Scrutiny Committee.

2. Information

The Committee's Terms of Reference

2.1 There were no changes to the Overview and Scrutiny Committee's terms of reference. These are attached as **Appendix 1**.

Amendments to Scrutiny Standing Orders

2.2 The Scrutiny Standing Orders are attached at **Appendix 2**. Amendments and new sections are highlighted. They include:

Standing Order	Amendment
<i>Footnote 4</i>	Clarification that substitutes do not automatically take up any special powers or duties of the member they substitute for, such as charring responsibilities
<i>Footnote 5</i>	Clarification that Combined Authority and LEP Board substitute are precluded from being members of scrutiny (or substitutes)
7	Clarification that working groups can make recommendations
9 (new)	New section explaining that the Combined Authority's scrutiny arrangements extend to the LEP
10.6	New section outlining the process by which the LEP can formally refer matters to scrutiny

13.1.4 - 5	New sections outlining new processes by which scrutiny can refer recommendations and reports to the LEP and the Combined Authority's partner councils – where appropriate
<i>Footnote 16</i>	Added footnote requiring the reporting of any LEP responses to scrutiny recommendations to the Combined Authority as well
14.5.3 and <i>footnote 26</i>	Minor clarification of call-in processes in regards to informing decision makers of the outcome of a call-in
16.2 and 16.3	Minor changes in wording for consistency
16.4	New section requiring the scrutiny officer to facilitate appropriate scrutiny of LEP decision making and achievements

Quorum and meeting dates

- 2.3 Standing Orders require the committee to hold at least four *quorate* meetings a year. Six meetings have been agreed by the Combined Authority for the 2019/20 municipal year, once every two months. A list of meeting dates (all beginning at 11am) are as follows:
- 12 July 2019
 - 13 September 2019
 - 15 November 2019
 - 17 January 2020
 - 20 March 2020
 - 22 May 2020
- 2.4 The **quorum is set by legislation at two-thirds of voting members** and cannot be reduced. Formally appointed substitutes are included in the quorum. No formal decision or resolution may be taken by an inquorate meeting.
- 2.5 Last year, five meetings (out of six) were quorate. The meeting on 24 May 2019 was not quorate, largely due to many members not being returned or stepping down at the May 2019 local elections.

Membership

- 2.6 A combined authority overview and scrutiny committee must reflect “so far as reasonably practicable the balance of political parties prevailing among the *constituent councils*¹ when taken together”.
- 2.7 For a committee of 18 members (3 from each authority) for this municipal year (further to the 2019 local elections), the political balance requirement was met by appointing 11 Labour, 4 Conservative and 3 Liberal Democrat members.
- 2.8 All scrutiny members must be formally appointed at the Combined Authority's annual meeting, in accordance with the nominations put forward by each council. Substitutes may only substitute for the member they are designated.

¹ Meaning West Yorkshire councils

2.9 The members and substitutes appointed at the 2019 annual meeting are as follows:

Member	Substitute	Party	District
Stephen Baines	Scott Benton	Conservative	Calderdale
James Baker	Ashley Evans	Liberal Democrat	Calderdale
Stephen Fenton	Anne Hook	Liberal Democrat	York
Dot Foster	Steve Sweeney	Labour	Calderdale
Patricia Garbutt	Harry Ellis	Labour	Wakefield
Jacob Goddard	David Jenkins	Labour	Leeds
Peter Harrand (C)	Neil Buckley	Conservative	Leeds
Graham Isherwood	Richard Forster	Labour	Wakefield
Paul Kane	Manisha Kaushik	Labour	Kirklees
Peter Kilbane	Claire Douglas	Labour	York
Christine Knight	Kayleigh Brooks	Labour	Leeds
Fazila Loonat	James Homewood	Labour	Kirklees
Sarfraz Nazir	Joanne Dodds	Labour	Bradford
Edward Pearson	Simon Daubeney	Liberal Democrat	York
Betty Rhodes	Lynne Whitehouse	Labour	Wakefield
Richard Smith	Michael Watson	Conservative	Kirklees
Rosie Watson	Carol Thirkill	Labour	Bradford
Geoff Winnard	Naveed Riaz	Conservative	Bradford

2.10 A new committee chair was appointed at the annual meeting – Councillor Peter Harrand. Current legislation requires the scrutiny chair to be from a different political party to the party that “has the most representatives among the members of the constituent councils on the combined authority”.

2.11 The committee welcomes the following new members:

1. Stephen Fenton, York
2. Patricia Garbutt, Wakefield
3. Jacob Goddard, Leeds
4. Peter Kilbane, York
5. Christine Knight, Leeds
6. Fazila Loonat, Kirklees
7. Edward Pearson, York
8. Richard Smith, Kirklees
9. Geoff Winnard, Bradford

2.12 The following members who served on the committee in the previous municipal year are no longer members of this committee:

1. Jenny Brooks, York
2. Glenn Burton, Wakefield
3. Ian Cuthbertson, York
4. Tina Funnell, York
5. Robert Light, Kirklees
6. Marielle O’Neill, Kirklees
7. Mike Pollard, Bradford
8. Denise Ragan, Leeds
9. Liz Smaje, Kirklees

Code of conduct for members and declaring pecuniary interests

- 2.13 All members and substitutes are bound by the [Code of Conduct for Members](#) and have a legal responsibility to complete a Declaration of Pecuniary Interests form within 28 days of being appointed to the committee. This form has been circulated separately to all members by the Combined Authority's governance services and needs to be completed by **24 July 2019** to comply with statutory requirements.
- 2.14 The [Conflicts of Interest Policy and Protocol](#) also apply to members and have also been circulated separately.
- 2.15 Other relevant information relating to meetings procedure, internal officer decision making and wider democratic and corporate governance (accessible on the Combined Authority's website) include:
- [Members' Allowance Scheme](#)
 - [Procedure Standing Orders](#)
 - [Officer Delegation Scheme](#)
 - [Annual Governance Statement](#)
 - [Corporate Governance Code](#)

New statutory scrutiny guidance

- 2.16 New statutory guidance (*'[Overview and scrutiny: statutory guidance for councils and combined authorities](#)'²*) was issued by the government in May 2019. Scrutiny Standing Order 15³ obligates the Overview and Scrutiny Committee and the Combined Authority to have regard to any guidance issued by the Secretary of State.
- 2.17 Further information on the guidance is contained in **Item 9 of this agenda**.

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

² <https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities>

³ Previously Standing Order 14, before the inclusion of new section Standing Order 9

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the Overview and Scrutiny Committee notes the governance arrangements for 2019/20 agreed at the Combined Authority's annual meeting on 27 June 2019.

7.2 That new members be welcomed and parting members be thanked for their service and many contributions over the years.

8. Background Documents

All other governance documents for the Combined Authority and the Leeds City Region Enterprise Partnership (LEP) can be found [here](#).

[‘Overview and scrutiny: statutory guidance for councils and combined authorities’](#) (7 May 2019, Ministry of Housing, Communities and Local Government - MHCLG)

9. Appendices

Appendix 1 – Overview and Scrutiny Committee Terms of Reference
Appendix 2 – Scrutiny Standing Orders

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Terms of Reference

Overview and Scrutiny Committee

The Overview and Scrutiny Committee is authorised:

1. To review or scrutinise any decision made, or other action taken, in connection with any function¹ of the Combined Authority.²
2. To make reports or recommendations to the Combined Authority, with respect to any function of the Combined Authority.
3. To make reports or recommendations to the Combined Authority on any matter that affects the Combined Authority's area or the inhabitants of the area³.
4. To receive and monitor responses to any report or recommendation made by the Overview and Scrutiny Committee.

¹ Including in relation to the Combined Authority's role as the accountable body for the Leeds City Region Enterprise Partnership (the LEP).

² In relation to a decision made but not implemented, this includes:

- the power to direct that a decision is not to be implemented while it is under review or scrutiny by the Overview and Scrutiny Committee, and
- the power to recommend that the decision be reconsidered in accordance with the Scrutiny Standing Orders.

³ This includes any matter considered by the LEP or relating to LEP governance.

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West Yorkshire Combined Authority Scrutiny Standing Orders

1 Appointment of Committees and Sub-Committees

- 1.1 The Combined Authority shall appoint one or more overview and scrutiny committees.
- 1.2 An overview and scrutiny committee may appoint one or more sub-committees to discharge any of its functions.¹

2 Membership

- 2.1 The Combined Authority shall appoint at least one member of each constituent council² and of the non-constituent council³ to any overview and scrutiny committee.
- 2.2 The majority of members of any overview and scrutiny committee or sub-committee must be members of the constituent councils.
- 2.3 The number of members of each of the constituent councils appointed to any overview and scrutiny committee must be such that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together.
- 2.4 The Combined Authority may appoint a **substitute member** for each member of an overview and scrutiny committee to act in the absence of that member at a meeting of an overview and scrutiny committee, any sub-committee of an overview and scrutiny committee or working group to which that member is appointed. The substitute member may only act in the absence of a member:
- for whom they are the designated substitute, and
 - where the member will be absent for the whole of the meeting.
- 2.5 A substitute member may not exercise any special powers or duties exercisable by the member for whom they are substituting⁴.

¹ A sub-committee of an overview and scrutiny committee may not discharge any functions other than those conferred on it in accordance with Standing Order 1.2.

² These are the City of Bradford Metropolitan District Council, Calderdale Council, Kirklees Metropolitan Council, Leeds City Council and the City of Wakefield Metropolitan District Council.

³ This is the City of York Council.

⁴ Special powers or duties include any chairing responsibilities. A substitute may exercise any voting rights exercisable by the member for whom they substitute.

- 2.6 No member of the Combined Authority nor of the Leeds City Region Enterprise Partnership (the LEP) Board⁵ may be a member or substitute member of an overview and scrutiny committee or sub-committee.
- 2.7 Within 28 days of any appointment to any overview and scrutiny committee, the Head of Legal and Governance Services will publish a notice about the appointment⁶ on the Combined Authority's web-site.

3 Voting

- 3.1 Each member of an overview and scrutiny committee, or of any overview and scrutiny sub-committee, appointed from a constituent council has one vote.
- 3.2 Any member of an overview and scrutiny committee, or of any overview and scrutiny sub-committee, appointed from the non-constituent council is non-voting unless the Combined Authority has resolved to give such a member voting rights.
- 3.3 All questions coming or arising before an overview and scrutiny committee or an overview and scrutiny sub-committee shall be decided by a simple majority of the members present and voting on the question.
- 3.4 No member of an overview and scrutiny committee or sub-committee has a casting vote.
- 3.5 If a vote is tied on any matter it is deemed not to be carried.

4 Chair

- 4.1 The Combined Authority will appoint the Chair of any overview and scrutiny committee⁷.
- 4.2 The Chair of any overview and scrutiny sub-committee will be appointed by the appointing overview and scrutiny committee.

5 Conflicts of Interest

- 5.1 No member of an overview and scrutiny committee nor of a sub-committee may scrutinise a decision (whether or not implemented) in which they were directly involved as a member of the committee or sub-committee which made the decision.

⁵ Substitutes for members of the Combined Authority and the LEP Board are also precluded from being a member or substitute of an overview and scrutiny committee or sub-committee.

⁶ In accordance with Article 4 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017/18.

⁷ This must be an independent person or an appropriate person, as defined by Schedule 5A Local Democracy Economic Development and Construction Act 2009.

5.2 Such a member may only attend the overview and scrutiny committee or sub-committee to:

- make representations,
- answer questions, or
- give evidence about the decision.

6 Quorum

6.1 At least **two-thirds** of the total number of members of any overview and scrutiny committee or sub-committee must be present at a meeting before business may be transacted.

7 Working Groups

7.1 An overview and scrutiny committee or sub-committee may appoint a working group to contribute to and inform the scrutiny process, **including by making recommendations.**

8 Work Programme

8.1 Each overview and scrutiny committee or sub-committee will set its own work programme.

9 Scrutiny of the LEP

9.1 **The LEP and the Combined Authority (as the accountable body for the LEP) have agreed that the Combined Authority's scrutiny arrangements extend to the LEP, in accordance with these Standing Orders.**

9.2 **The LEP has agreed to share information with any overview and scrutiny committee or sub-committee, so that the committee or sub-committee can provide robust scrutiny and advice.**

9.3 **The contribution of the LEP to any meeting of an overview and scrutiny committee or sub-committee will be recorded with the outcome in the minutes of the meeting.**

10 Reference of Matters to an Overview and Scrutiny Committee or Sub-Committee

10.1 The Combined Authority or any of its committees may ask an overview and scrutiny committee to review any matter or assist in developing budget and policy proposals.

10.2 In accordance with Standing Order 10.3 below:

- a) any member of an overview and scrutiny committee may refer to the committee any matter which is relevant to the functions of the committee;
 - b) any member of an overview and scrutiny sub-committee may refer to a sub-committee any matter which is relevant to the functions of the sub-committee;
 - c) any member of the Combined Authority may refer to an overview and scrutiny committee any matter which is relevant to the function of the committee and is not an excluded matter;⁸ and
 - d) any member of a constituent council or the non-constituent council may refer to an overview and scrutiny committee any matter which is relevant to the functions of the committee and is not an excluded matter⁹.
- 10.3 Any reference must be made in writing to the Scrutiny Officer who will ensure that the matter is included in the agenda for, and discussed at, a meeting of the committee or sub-committee.
- 10.4 Where a matter is referred to an overview and scrutiny committee by any member under Standing Order 10.2 c) or d) above, in considering whether to review or scrutinise a matter referred to the committee, the committee must have regard to any representations made by the member referring the matter as to why it would be appropriate for the committee to review or scrutinise the matter. If the committee decides not to review or scrutinise the matter, it must notify the member of its decision and the reasons for it.
- 10.5 An overview and scrutiny committee must provide a member with any copy of any report or recommendations¹⁰ which it makes in connection with any matter referred to it by the member under Standing Order 10.2 c) or d) above.

10.6 The LEP may seek input from an overview and scrutiny committee on any issue relating to policy and strategy development or otherwise. Any such request must be put forward to the Scrutiny Officer in the first instance, who will ensure that the matter is included in the agenda for, and discussed at a meeting of an overview and scrutiny committee or sub-committee.

⁸ An excluded matter means any matter which is a local crime and disorder matter within the meaning of section 19 of the Police and Justice Act 2006 or a matter of any description specified in an Order made for the purposes of Section 9FC of the Local Government Act 2000.

⁹ See footnote above.

¹⁰ Subject to provisions relating to confidential and exempt information

11 Meetings

- 11.1 There shall be at least **four** ordinary meetings of any overview and scrutiny committee in each year.
- 11.2 An extraordinary meeting of an overview and scrutiny committee may be called by:
- the Chair of the committee; or
 - any **5** members of the committee from at least **2** constituent councils

12 Attendees

12.1 Members and officers

12.1.1 An overview and scrutiny committee or sub-committee may require any member of the Combined Authority¹¹ or an officer¹² of the Combined Authority to attend before it to answer questions¹³ or to provide information about any matter within its terms of reference.

12.1.2 Where a committee or sub-committee requires a member or officer to attend, the Scrutiny Officer shall inform the member or officer in writing giving at least 5 clear working days' notice of the meeting. The notice will state:

- the date of the meeting they are required to attend,
- the nature of the item, and
- whether they must produce any papers for the committee.

12.1.3 A member or officer must comply with any notice they are given.

12.1.4 Where, in exceptional circumstances, the member or officer is unable to attend on the required date, the overview and scrutiny committee shall consult with the member or officer to arrange an alternative date.

¹¹ The expectation is that this would be a Member of the Combined Authority, or a Chair of any Combined Authority committee or sub-committee.

¹² The expectation is that this would be the Combined Authority's Managing Director or other senior officer who has exercised delegated authority in respect of an issue being considered by the committee or sub-committee, or their nominee.

¹³ A person is not obliged to answer any question which the person would be entitled to refuse to answer in or for the purposes of proceedings in a court in England and Wales.

12.2 Others

An overview and scrutiny committee or sub-committee may invite other people¹⁴ to attend any meeting to

- address it,
- provide information,
- discuss issues of local concern, and/or
- answer questions.

12.3 General Principles

12.3.1 Each member of an overview and scrutiny committee or sub-committee must be given the opportunity to ask attendees questions, contribute and speak.

12.3.2 Attendees assisting the committee must be treated with respect and courtesy.

13 Reports and Recommendations

13.1 Reports and Recommendations of an Overview and Scrutiny Committee or Sub-Committee

13.1.1 An overview and scrutiny committee or sub-committee may make reports or recommendations to the Combined Authority¹⁵.

13.1.2 If an overview and scrutiny committee or sub-committee cannot agree a final report, a minority report may be prepared and submitted as an appendix to the majority report.

13.1.3 The overview and scrutiny committee or sub-committee may publish any report or recommendations, subject to Standing Order 13.3.

13.1.4 Where in the opinion of the overview and scrutiny committee, any report or recommendation relates significantly to any LEP activity or to LEP governance, the report or recommendation shall also be submitted to the LEP Board for consideration in a timely manner. Any

¹⁴ Including any co-opted member of any Combined Authority committee; members and officers from constituent councils, the non-constituent council or other councils within the Leeds City Region; any member of the LEP Board; members of the public; any other stakeholders, advisors or assessors. The committee may pay any advisers, assessors and witnesses a reasonable fee and expenses.

¹⁵ All references to the Combined Authority in Standing Order 13 should be taken as including a reference to any relevant committee with authority to consider and respond to reports and recommendations on behalf of the Combined Authority. The Scrutiny Officer shall in consultation with the Chair of an overview and scrutiny committee determine whether a report or recommendation shall be considered by such a committee or by the Combined Authority.

response of the LEP Board shall be reported back to the overview and scrutiny committee or sub-committee which made the report or recommendation¹⁶

13.1.5 Where in the opinion of the overview and scrutiny committee, any report or recommendation is of particular significance to any partner council over and above any other partner council, the report or recommendation shall also be submitted to that partner council for consideration. Any response of that partner council shall be reported back to the overview and scrutiny committee or sub-committee which made the report or recommendation.

13.2 Notice

13.3.1 An overview and scrutiny committee or sub-committee may by notice require the Combined Authority within 2 months of receiving any report or recommendations or (if later) the notice, to:

- consider the report or recommendations;
- respond to the overview and scrutiny committee or sub-committee indicating what (if any) action the Combined Authority proposes to take;
- publish the response, if the overview or scrutiny committee or sub-committee has published the report or recommendations, subject to Standing Order 13.3 below.

13.3.2 The Combined Authority must respond to a report or recommendations made by an overview and scrutiny committee or a sub-committee as a result of a referral made in accordance with Standing Order 10, within 2 months beginning with the date on which the Combined Authority received the notice, and subject to Standing Order 13.3 below.

13.3 Publishing a Document: Confidential and Exempt Information

13.3.1 Standing Order 13.3.2 applies to:

- the publication of any document comprising a report or recommendations of an overview and scrutiny committee or sub-committee, or a

¹⁶ Where a notice has been served on the Combined Authority in accordance with Standing Order 13.2, any response of the LEP Board provided under Standing Order 13.1.4 shall also be reported to the Combined Authority.

response of the Combined Authority to any such report or recommendations, and

- the provision of a copy of such a document to a member under Standing Order 10.5 above.

13.3.2 In publishing the document the overview and scrutiny committee, sub-committee or the Combined Authority must exclude any confidential information¹⁷; and may exclude any relevant exempt information¹⁸. When providing a copy of a document, the overview and scrutiny committee, sub-committee or the Combined Authority may exclude any confidential information or relevant exempt information.

13.3.3 Where information is excluded, the overview and scrutiny committee, sub-committee or the Combined Authority:

- may replace so much of the document as discloses the information with a summary which does not disclose that information, and
- must do so if, in consequence of excluding the information, the document published would be misleading or not reasonably comprehensible.

14 Call-In of Decisions

14.1 Scope

The following decisions may be called-in for scrutiny:

- any **decision of the Combined Authority¹⁹ or of any decision-making committee of the Combined Authority²⁰**, and
- any **Key Decision taken by an officer**,

with the exception of any decision which the decision-maker has resolved is urgent²¹.

14.2 Call-In Process

¹⁷ This has the meaning given by section 100A (3) of the Local Government Act 1972.

¹⁸ This means exempt information of a description specified in a resolution of the overview and scrutiny committee or sub-committee or the Combined Authority which applied to the proceedings, or part of the proceedings at any meeting at which the report was or recommendations were considered.

¹⁹ Including in relation to the Combined Authority's role as the accountable body for the LEP.

²⁰ With the exception of the Governance and Audit Committee

²¹ A decision will be urgent if any delay likely to be caused by the call-in process would prejudice the Combined Authority's, any constituent council's or the public's interests. Nor will any decision relating to approving or amending governance arrangements be open to call-in.

14.2.1 **Five members of the overview and scrutiny committee** to include **at least one member from two different Constituent Councils** may call-in a decision eligible for call-in by notifying the Scrutiny Officer by 4pm on the **fifth working day** following publication under Standing Order 14.2.2 or 14.2.3.

14.2.2 The Head of Legal and Governance Services shall publish details²² of **the Combined Authority** and any **committee decisions** eligible for call-in within **2 clear working days** of a meeting.

14.2.3 Any **Key Decision taken by an officer** will be published as a written record of an officer decision within **2 clear working days** of the decision being made.

14.3 **Implementing Decisions which are Eligible for Call-In**

14.3.1 An urgent decision may be implemented immediately²³.

14.3.2 Any other decision of the Combined Authority or a committee, or Key Decision taken by an officer may be implemented after **midday** of the **sixth clear working day** after the publication of the decision, unless it is called-in.

14.4 **Action on Receipt of a Call-In Request**

14.4.1 On receipt of a call-in request, the Scrutiny Officer shall:

- notify the decision-maker²⁴ of the call-in,
- consult with the Chair of overview and scrutiny committee about whether to issue a direction under Standing Order 14.4.2 below, and
- call a meeting of the overview and scrutiny committee, to scrutinise the decision.

14.4.2 Where a decision is called-in, the Scrutiny Officer, in consultation with the Chair of the overview and scrutiny committee may direct that the decision is not to be implemented while it is under review or scrutiny by the overview and scrutiny committee, for a period not exceeding 14 days from the date on which the direction is issued.

14.5 **Scrutinising a Decision**

²² To members of the overview and scrutiny committee.

²³ The Scrutiny Officer must report such decisions to the next available meeting of the relevant overview and scrutiny committee, together with the reasons for urgency.

²⁴ That is, each member of the Combined Authority, of any relevant committee or the relevant officer.

14.5.1 The overview and scrutiny committee must scrutinise the decision within **14 days** of the Scrutiny Officer receiving the request for call-in, or before the expiry of any direction, if earlier.

14.5.2 Where an overview and scrutiny committee has scrutinised a decision, it may recommend that the decision is re-considered by the Combined Authority or the committee²⁵. Any decision which is recommended for re-consideration may not be implemented while any direction under 14.4.2 is of effect, except in accordance with Standing Order 14.6.4 below.

14.5.3 The Scrutiny Officer will notify the decision-maker²⁶ of the outcome of the scrutiny by the overview and scrutiny committee, within **2 clear working days** of the meeting. Where the decision has not been recommended for re-consideration, it may be implemented on receipt of this notification.

14.6 Re-Considering the Decision

14.6.1 The Combined Authority or the committee must meet to reconsider any decision not later than **10 days** after the date on which the recommendations of an overview and scrutiny committee are received.

14.6.2 The Chair of the overview and scrutiny committee or their nominee may attend the meeting which is re-considering the decision, to present the report or recommendations.²⁷

14.6.3 The Combined Authority or the committee may confirm, amend or rescind the decision. A response should be published in accordance with Standing Order 13.3.

14.6.4 A decision which has been confirmed or amended by the Combined Authority or the committee may be implemented immediately.

15 Guidance of the Secretary of State

²⁵ The Scrutiny Officer shall in consultation with the Chair of the overview and scrutiny committee determine whether a report or recommendation relating to a decision of an officer or a committee is considered by the Committee (where the decision falls within its terms of reference) or the Combined Authority. A report or recommendation relating to a decision of the Combined Authority shall be considered by the Combined Authority.

²⁶ Notification of the outcome shall be provided to each individual member of the Combined Authority or of any relevant committee, or to the relevant officer.

²⁷ The Chair must notify the Scrutiny Officer that they intend to attend the meeting 3 clear working days before the meeting.

15.1 An overview and scrutiny committee or sub-committee must have regard to any guidance issued by the Secretary of State²⁸.

16 Statutory Scrutiny Officer

16.1 Any references in these Standing Orders to the Scrutiny Officer are to the officer designated as such by the Combined Authority.

16.2 The Combined Authority shall not designate an officer of any constituent council as Scrutiny Officer for the Combined Authority.

16.3 The statutory functions of the Scrutiny Officer are:

- to promote the role of any overview and scrutiny committee or sub-committee,
- to provide support and guidance to any overview and scrutiny committee or sub-committee and its members, and
- to provide support and guidance to members of the Combined Authority in relation to the functions of any overview and scrutiny committee or sub-committee.

16.4 The Scrutiny Officer shall also facilitate appropriate scrutiny of LEP decision-making and achievements.

17 Additional Rights of Access to Documents

17.1 Additional rights of access to documents for members of any overview and scrutiny committee or sub-committee are set out in the Access to Information Annex to the Combined Authority's Procedure Standing Orders.

18 Public Notice of Proposed Key Decisions

18.1 Provisions relating to the public notice of proposed Key Decisions are set out in the Access to Information Annex to the Combined Authority's Procedure Standing Orders.

19 Interpretation

19.1 The Chair of an overview and scrutiny committee meeting or sub-committee meeting shall make any final decision at that meeting about:

- how the Scrutiny Standing Orders should be interpreted with respect to the conduct of the meeting, or

²⁸ Under Local Democracy, Economic Development and Construction Act 2009 Schedule 5A paragraph 2(9)

- any question of procedure not provided for by the Scrutiny Standing Orders.

19.2 The Head of Legal and Governance Services shall make any final decision about how to interpret any Scrutiny Standing Order outside of a formal committee or sub-committee meeting.



Report to: Overview and Scrutiny Committee

Date: 12 July 2019

Subject: **Chair's update**

Director: Angela Taylor, Corporate Services

Author(s): Khaled Berroum, Scrutiny Officer

1. Purpose

1.1 To receive any updates, comments or announcements from the Chair of the Overview and Scrutiny Committee.

2. Information

2.1 Any updates, comments announcements from the Chair will be given verbally at the meeting if they are not appended to this report.

3. Recommendations

3.1 To note any updates, comments or announcements from the Chair of the Overview and Scrutiny Committee.

4. Background Documents

None.

5. Appendices

None.

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Report to: Overview and Scrutiny Committee

Date: 12 July 2019

Subject: **Scrutiny Work Programme 2019/20**

Director: Angela Taylor, Corporate Services

Author(s): Khaled Berroum, Scrutiny Officer

1. Purpose of this report

- 1.1 To approve the scrutiny work programme for 2019/20 following the member's workshop held on 28 June 2019.
- 1.2 To consider any additional agenda items, formal referrals to scrutiny, reviews, call in, matters to raise at the next Combined Authority meeting and any other tasks, issues or matters the Committee resolves to undertake or consider further.

2. Information

- 2.1 The Scrutiny work programme details the planned work the Overview and Scrutiny Committee has resolved to undertake, investigate further and focus on in the current municipal year (June 2019 – June 2020) within the resources, remit and powers available to it.
- 2.2 The work programme is set at the beginning of the year and considered at each meeting where it can be amended and changed as the year progresses.

Referrals to scrutiny

- 2.3 Under Scrutiny Standing Order 10, any Member of the Overview and Scrutiny Committee, the Combined Authority or any elected Member of a West Yorkshire council (or the City of York Council) may formally refer a matter to the Committee for consideration. The referral must be in writing to the Scrutiny Officer. The Committee must then consider and discuss the referral and respond to the referrer explaining whether or not it will consider the matter further and why.

- 2.4 A referral was made by Cllr Scott Patient, cabinet member for Climate Change and Environment at Calderdale Council, to the scrutiny officer via email asking if the Overview and Scrutiny Committee could look at what the Combined Authority is doing in regards to the recently declared 'climate emergency' – "Especially with regards to bringing different authorities together and pooling work". This topic is addressed in paragraphs 2.12 – 2.19 below in this report.

Reviews

- 2.5 Last year, the committee requested a review of current scrutiny arrangements following the publication of new statutory scrutiny guidance by the government and accompanying 'Good Scrutiny Guide' by the Centre for Public Scrutiny.
- 2.6 A proposed terms of reference and scope for this review is included is attached at **Appendix 3**.
- 2.7 No other reviews are ongoing or have been proposed at this time.

Work programme workshop on 28 June 2019

- 2.8 This year, the committee decided to approach work programming in a workshop setting. This allowed members to have more time to consider the Combined Authority and LEP's plans for the year ahead in greater depth so they could select a more focused, strategic and balanced work programme that tackles key issues while maintaining a flexible overview of other issues as they arise.
- 2.9 During the workshop, members considered the following:
- a set of work programming principles as suggested by government guidance, good practice and this committee's members in the past
 - a summary of topics in last year's work programme and outstanding issues that could be carried onto this year
 - a summary of the Combined Authority and LEP's plans for 2019/20 provided by the senior leadership team (SLT)
 - a series of templates to help members scope, categorise and select topics, dates and scrutiny methods
- 2.10 Members discussed upcoming key areas of work and possible topics with support from the Combined Authority's Managing Director, senior leadership team and scrutiny officer.
- 2.11 It was agreed that the scrutiny officer would produce a shortlist of topics for approval at this committee meeting based on the discussion in the workshop, suggestions by members in the past, outstanding issues from last year's work programme and the senior leadership team's forward plan.

Proposed topics for the agenda forward plan 2019/20

- 2.12 In addition to the review of scrutiny outlined in paragraphs 2.5 - 7, a summary of the proposed topics for the 2019/20 work programme is attached as

Appendix 1 for determination and a work programme summary and forward plan based on the suggested topics is attached at **Appendix 2**.

2.13 Suggestions include:

1. Climate change
2. Local industrial strategy
3. Business grants
4. Budget and business planning
5. Enterprise Zones
6. Devolution and LEP review/merger
7. Preparations for Brexit
8. Channel 4 opportunities
9. Apprenticeships and Skills Commission
10. Transport connectivity
11. Digital inclusion/exclusion
12. Procurement strategy

2.14 It is advised that current resources and capacity available to scrutiny can support up to two or three time limited working groups in one municipal year. All other topics are advised to be considered through a combination of items at committee meetings, briefing notes in a new standing 'Overview and Monitoring' report and scrutiny chair / officer briefings on the committee's behalf.

2.15 Following discussion and approval of the work programme by this Committee, the chosen topics will be circulated to lead directors and chief officers for comment, consultation and advice on timescales and content.

Working groups

2.16 Under Scrutiny Standing Order 7, the Overview and Scrutiny Committee may appoint working groups to consider matters more closely, fulfil 'tasks', make recommendations and otherwise inform the scrutiny process.

2.17 Last year, two working groups were re-appointed on 13 July 2018 on an interim basis: LEP Review and Transport working groups. They were first appointed in 2015/6 and re-appointed on 22 September 2016, 20 September 2017 and 13 July 2018 on an interim basis. These working groups reported their conclusions in the Scrutiny Annual Report 2018/19 – available on the Combined Authority website.

2.18 Based on the suggested topics in **Appendix 1** it is proposed that last year's working groups not be reappointed and instead two time-limited task and finish groups be appointed this year:

1. Climate Change
2. Business Grants Evaluation

2.19 Task and Finish Groups should draft a terms of reference and a scope for their work and report back to the main committee either through periodic updates at

committee meetings and/or a final end-of-year report when their work is complete.

Key decisions and call in

- 2.20 Members of the Overview and Scrutiny Committee may call in any decision of the Combined Authority, a decision-making committee and any key decisions taken by an officer (with the exception of urgent decisions). Key decisions are defined as any decision incurring a financial cost or saving of £1 million or more, or a decision likely to have a significant effect on two or more wards.
- 2.21 Decision makers have two days to publish notice of a decision, at which point scrutiny members have five working days to call in the decision, delaying its implementation, and formally requiring the decision maker to reconsider.
- 2.22 Five members of the Overview and Scrutiny Committee – including at least one member from two different constituent councils (West Yorkshire) – may call-in a decision by notifying the Scrutiny Officer in writing by 4.00 pm on the fifth working day following publication. The Committee then has 14 days to scrutinise the decision and make recommendations. Further information is set out in Scrutiny Standing Order 13.
- 2.23 The latest key decisions and forward plans of key decisions are published on the [key decisions section of the Combined Authority's website](#).

Matters to raise at the next Combined Authority meeting on 1 August 2019

- 2.24 The Chair of the Overview and Scrutiny Committee has a standing invite to meetings of the Combined Authority as a (non-voting) observer in order to raise any scrutiny matters and convey any feedback from scrutiny members to the Combined Authority.
- 2.25 The next Combined Authority meeting will take place on 1 August 2019.
- 2.26 A summary of the Combined Authority's draft agenda forward plan is outlined in **Appendix 2**.
- 2.27 [Minutes and agendas from past meetings](#)¹ of the Combined Authority can be accessed on the Combined Authority's website. Agendas and reports for future meetings will also be published there.

Actions for the Scrutiny Officer

- 2.28 As outlined in Scrutiny Standing Order 16, the statutory scrutiny officer provides support to the Overview and Scrutiny Committee's work programme and all of its members in exercising their scrutiny duties and fulfilling their objectives.

¹ <https://westyorkshire.moderngov.co.uk/ieListMeetings.aspx?Committeeld=133>

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 Overview and Scrutiny Committee selects topics for scrutiny this year, approves a work programme and appoints any working groups it deems necessary.

7.2 That the proposed scrutiny review terms of reference be considered.

8. Background Documents

[Scrutiny Standing Orders](#)

[Scrutiny Annual Report 2018/19](#)

[Past agendas and minutes from meetings of the Combined Authority](#)

[Forward plan of key decisions from 1 July 2019](#)

[‘Overview and scrutiny: statutory guidance for councils and combined authorities’](#) (7 May 2019, Ministry of Housing, Communities and Local Government - MHCLG)

[‘The Good Scrutiny Guide’](#) (June 2019, Centre for Public Scrutiny)

9. Appendices

Appendix 1 – Shortlist of suggested topics for 2019/20

Appendix 2 – DRAFT Work Programme 2019/20 summary

Appendix 3 – DRAFT Scrutiny Review terms of reference

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Suggested topics for the 2019/20 work programme

Suggested topic	Information	Timescales
Climate change	<p>A key topic suggested by a number of scrutiny and executive members. An examination of how the declaration of a 'climate emergency' has impacted the organisation's work, and how it plans to tackle the emergency and support its ambition for 'clean growth'. Particular areas of focus suggested by members include:</p> <ul style="list-style-type: none"> An 'audit' of current and planned strategies (Energy, Blue/Green Infrastructure, planning) and programmes (cycling, walking, air quality, business engagement) related to tackling climate change and their environmental impact A possible strategic, coordination role to determine if current strategies/interventions amongst the combined authority, stakeholders and partner authorities are aligning 	Throughout the year
Local industrial strategy	The local industrial strategy will be a key piece of work this year for the combined authority and LEP. It constitutes a key decision and scrutiny has inputted heavily to the Strategic Economic Plan in the past.	Sept & Nov 2019
Business grants – application criteria	Revisit the recommendations made by the committee to the LEP regarding application criteria for business grants scheme. The criteria are currently under review by the LEP and its panels and are due to report back in Autumn/Winter 2019.	Sept / Nov 2019
Business grants – evaluation of outcomes	The committee was informed in March 2019 that many business grants schemes are due to end in 2019/20 and independent evaluations have been arranged for– in order to fulfil a recommendation made by scrutiny in September 2018.	Throughout the year
Budget, finances and business planning	Scrutiny considers the budget every year. Other finance related work such as the gateway review, spending review, medium term financial strategy, capital strategy and Growing Places Fund is also expected this year.	Sept 2019
Enterprise Zones	Key programme developing enterprise zones in the region which the Combined Authority / LEP retain the business rates from as a key piece of revenue funding.	To be confirmed
Devolution	Key meetings are expected this year between Yorkshire leaders as a whole and ministers to discuss devolution options after the government rejected the One Yorkshire option. Other meetings between the West Yorks Combined Authority leadership and ministers to discuss interim funding arrangements are also planned.	To be confirmed

LEP merger/review	Update on progress of the talks and an analysis of implications on governance, assurance, funding and strategy/delivery in any scenario.	To be confirmed
Preparations for Brexit	An overview of the authority's plans to navigate the country's exit from the European Union – currently expected in October 2019.	Sept 2019
Channel 4 opportunities and inward investment	Examining what work is being done to seize the opportunities presented in skills and inward investment presented by the successful bid to bring the new C4 HQ to Leeds.	To be confirmed
Apprenticeships and Skills Commission	Last year members considered separate items on apprenticeships, requesting further information on how apprenticeship activity has impacted the regional picture, how the apprenticeship grants programme is performing, how internal approach to apprenticeships is developing and the findings of the Skills Commission.	To be confirmed
Transport connectivity	Members suggested looking more at transport connectivity across the district – ensuring that communities are effectively connected via transport links to job opportunities. A consultation on a Connectivity Plan is ongoing and Inclusive Growth Corridors and a bid for the connectivity focused Transforming Cities Fund are in development. A Bus Alliance and Rail Forum have also been established to bring together the Transport Committee, transport operators and other stakeholders to improve connectivity within the context of current deregulation legislation.	To be confirmed
Digital inclusion / exclusion	The transport working group made various conclusions in regards to caution around striving for a 'digital by default' approach that might leave some communities and demographics digitally excluded.	To be confirmed
Procurement Strategy	At the January 2018, members requested to be kept updated on work being undertaken to revise procurement policies is a good opportunity to support apprenticeships, environmental outcomes and inclusive growth through a more selective approach in procurement.	To be confirmed
Key Performance Indicators (KPIs), corporate plan and performance	Scrutiny has considered the Corporate Plan annually and, at the May 2019 meeting, members expressed an interest in focusing on KPIs that are RAG-rated as Red and areas where the authority is struggling to meet targets in particular.	March 2020 May 2020
Assurance Framework	This is refreshed every year.	To be confirmed

Flood Review	A suggestion was made to revisit progress on flood review recommendations in the future following the scrutiny meeting in Nov 2018.	To be confirmed
Consultations	<p>Following consultations are expected to possibly start this year:</p> <ul style="list-style-type: none"> • West Bradford junctions improvement scheme phase 2a (Bradford) – July 2019 • Southern Gateways /Cross Church St scheme (Kirklees) – July 2019 • Elland rail station and wider access scheme (Calderdale) - Oct 2019 • Leeds-Bradford Airport Link Road phase 1b (Leeds) – Nov 2019 • New Pudsey rail station extension – Nov 2019 • A62/A644 Wakefield Link Road phase 2 (Kirklees) – Dec 2019 • White Rose rail station (Leeds) – Jan 2020 	Throughout the year
Pre-decision scrutiny on projects due for approval	<p>The Combined Authority has committed to keeping scrutiny members informed of developments on projects as they pass through the assurance process so that scrutiny members can conduct any pre decision scrutiny.</p> <p>This year, decisions are expected on the following projects in the following months:</p> <p>August 2019:</p> <ul style="list-style-type: none"> • strategic case for the Kirklees cycling and walking station access project (Activity 2 in the assurance process) <p>September 2019:</p> <ul style="list-style-type: none"> • Leeds City Region Enterprise Zones: Clifton site, Calderdale (Activity 3 – OBC) • A65-Leeds Bradford International Airport Link Road (Activity 3 – OBC) • New station site at White Rose, Leeds (Activity 3 – OBC) <p>October 2019:</p> <ul style="list-style-type: none"> • Ultra-low emissions bus project (Activity 2 – strategic case) • South Featherstone Link Road, Wakefield (Activity 2 – strategic case) • Leeds Public Transport Investment Programme schemes (A65 signals, Alwoodley gates park and ride, A58 bus priority, Temple Green park and ride phase 3) • Castleford growth corridor scheme 	Throughout the year

	<p>November 2019:</p> <ul style="list-style-type: none">• full business case + finalised costs for the York central station frontage scheme (Activity 5)• outline business case (Activity 3) for Wakefield city centre package – phase 2 Ings Road <p>December 2019:</p> <ul style="list-style-type: none">• Strategic Case (Activity 2) for ERDF connecting innovation scheme• outline business case (Activity 3) for Leeds Public Transport Investment Programme schemes (Corn Exchange gateway and A660 corridor)• Bradford –Shipley transport corridor project• Bradford Interchange Phase 1	
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DRAFT Scrutiny Work Programme 2019/20 Summary

Reviews	1. A review into the Combined Authority's scrutiny arrangements

Overview & Scrutiny – Forward Plan (2019/20)		Info / notes
Standing items for all meetings	1. Chair's Update 2. Work Programme <ul style="list-style-type: none"> • Formal referrals • Agenda forward plan • Matters to raise at CA meeting • Key decisions and call in 3. Overview and Monitoring Report <ul style="list-style-type: none"> • Review updates • Working group updates • Recommendation updates • Briefing notes / updates for info 	
12 July 2019	1. Local Industrial Strategy	Update on developments since July 2018
	2. Work Programme 2019/20	Approving the 2019/20 work programme
13 Sept 2019	1. Local Industrial Strategy	Pre-decision scrutiny
	2. Business grants: application criteria and inclusive growth	Revisit recommendations made last September 2018 and March 2019
	3. Budget and business planning	Pre-decision scrutiny
15 Nov 2019	1.	
	2.	
17 Jan 2020	1.	
	2.	
20 March 2020	1.	
	2.	
22 May 2020	1.	
	2.	
Overview & Scrutiny– Forward Plan (2020/21)		Info / notes
11 July 2020 (tbc)	1.	
	2.	

Issue/Topic shortlist		
Topic	Notes	Timescales

Overview/Monitoring Watchlist		
Topic	Notes	Timescales

Workshops		
Topic	Notes	Date

Task and Finish Groups (2018/19)	
Name	Climate change
Membership *Lead Member	<i>To be confirmed</i>
Topics/Tasks	Examine how the Combined Authority plans to tackle the 'climate emergency' it has declared and support its ambition for 'clean growth'.
Meetings	<i>To be confirmed</i>
Name	Business grants evaluation
Membership *Lead Member	<i>To be confirmed</i>
Topics/Tasks	Examine the outcomes achieved in business grants schemes due to end and undergo independent evaluation in the 2019/20 municipal year.
Meetings	<i>To be confirmed</i>

Combined Authority forward plan 2018-19	
Standing items at all meetings	<ol style="list-style-type: none"> 1. Capital spending and project approvals (standing item) 2. Corporate planning and performance (standing item)
Combined Authority draft agenda 1 August 2019	<ol style="list-style-type: none"> 1. Spending Review Submission 2. Medium Term Financial Strategy 3. HS2 Consultation response 4. Scrutiny Work Programme 2019/20
Combined Authority draft agenda 10 October 2019	<ol style="list-style-type: none"> 1. Brexit 2. Reinvestment of grants and loans 3. Tackling the climate emergency 4. Update on procurement strategy and inclusive growth 5. Capital Strategy 6. ESIF 7. Other items to be confirmed
Combined Authority draft agenda 12 December 2019	<ol style="list-style-type: none"> 1. Local Industrial Strategy 2. 6 Month review of inclusive growth for business grants 3. Draft budget and business plan 2020/21 4. Other items to be confirmed
Combined Authority draft agenda 6 February 2020	<ol style="list-style-type: none"> 1. Approving the 2020/21 budget and business plan 2. Other items to be confirmed
Combined Authority draft agenda 16 April 2020	<ol style="list-style-type: none"> 1. Other items to be confirmed
Combined Authority annual meeting draft agenda 25 June 2020	<ol style="list-style-type: none"> 1. Annual meeting items 2. Scrutiny Annual Report 2019/20 3. Other items to be confirmed

Scrutiny Review Terms of Reference **DRAFT**

The purpose and objective of the review

Review the effectiveness of the Combined Authority's current scrutiny arrangements with a view to making recommendations on how they can be improved and strengthened in the present and meet any future challenges that may arise as a result of changes in governance and geography or devolution and functions.

How the review will achieve its aims

1. Review the effectiveness of current scrutiny arrangements using the Centre for Public Scrutiny's (CfPS) 'Evaluation Framework' as a guide.
2. Analyse the new statutory scrutiny guidance issued by the government (and the CfPS's 'Good Scrutiny Guide') and identify areas for improvement.
3. Gather evidence of best practise in scrutiny – regionally and nationally – to identify potential reforms to improve the effectiveness of scrutiny and ensure compliance with government and CfPS guidance.
4. Produce a report of the review's findings and make recommendations to the authority's senior leadership team, Overview and Scrutiny Committee, Combined Authority, the LEP, and partner authorities as appropriate.
5. Determine an implementation schedule for any recommended options or changes.
6. Report progress back to the main committee periodically and ensure to consult scrutiny members on key questions.

Background Documents

['Effectiveness of local authority overview and scrutiny committees' – first report of the Communities and Local Government Committee in the Session 2017-19](#) (15 December 2017, House of Commons)

[Government Response to the Committee's First Report of 2017-19](#) (6 March 2018, Ministry of Housing, Communities and Local Government - MHCLG)

['Overview and scrutiny: statutory guidance for councils and combined authorities'](#) (7 May 2019, Ministry of Housing, Communities and Local Government - MHCLG)

['The Good Scrutiny Guide'](#) (June 2019, Centre for Public Scrutiny)

['Scrutiny Evaluation Framework'](#) (April 2017, Centre for Public Scrutiny)

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Report to: Overview and Scrutiny Committee

Date: 12 July 2019

Subject: **Cover report: Local Industrial Strategy Development**

Director: Angela Taylor, Corporate Services

Author(s): Khaled Berroum, Scrutiny Officer

1. Purpose of this cover report

- 1.1 To introduce and provide background to the report of the Director of Policy, Strategy & Communications entitled 'Local Industrial Strategy Development'.

2. Information

- 2.1 The Overview and Scrutiny Committee was last updated at its 13 July 2018 committee meeting on the progress to replace the LEP's current *Strategic Economic Plan* (SEP) with a new policy framework which the 'Local Industrial Strategy' will sit at the heart of.
- 2.2 Scrutiny members were asked to consider how the new policy framework and industrial strategy could better appraise, prioritise and develop projects against outcomes and to help determine the best way to measure and calculate success in order to improve future policy development.
- 2.3 The Committee discussed a general formula based around (1) identifying problems, (2) identifying targets/outcomes to alleviate those problems, (3) identifying projects and programmes which achieve those targets/outcomes and alleviate those problems and (4) monitoring outcomes and outputs long term to revisit the identified problems and whether targets were maintained.
- 2.4 The Committee also asked a working group¹ to consider the industrial strategy in more detail. At a working group meeting on 9 November 2018, working group members were informed of the following:

¹ LEP Review Working Group 2018/19 (formerly Strategic Economic Plan (SEP) Working Group)
Lead: Cllr Stephen Baines
Members: Cllrs Mike Pollard, Rosie Watson and Paul Kane

- The government published a ‘policy prospectus’² detailing guidance and ‘best practice policy principles for developing a local Industrial Strategy’.
- The government also published a progress statement on the West Midlands Local Industrial Strategy³ – which was in the first wave of industrial strategies.
- Some consideration is being given to officers developing a similar progress statement to submit to the LEP Board in the near future.
- The government is interested in particular to see each LEP area develop and maintain a strong evidence base – data on economic performance to support delivery.

2.5 After discussion, the working group agreed that:

- Scrutiny needs to be well briefed and involved in development of the industrial strategy as it will constitute a key decision and is eligible for call-in by scrutiny.
- Scrutiny of the local industrial strategy should be deferred until further clarity is provided by the national government and until after the LEP Board has developed the evidence base which will inform the contents of the strategy. This is expected to be by mid-2019.
- Scrutiny is advised to focus on helping to develop what is proposed as being the measure of success – for policy and performance outcomes. This would help scrutiny better judge the performance of the LEP against the industrial strategy in the future.
- Any changes to geography for the LEP as a result of the proposed LEP merger and enlargement would need to be taken into account.

3. Background Documents

[Local Industrial Strategies policy prospectus](#): Best practice policy principles for developing a local Industrial Strategy. (1 October 2018)

[West Midlands Local Industrial Strategy](#): progress statement (1 October 2018).

² <https://www.gov.uk/government/publications/local-industrial-strategies-policy-prospectus>

³ <https://www.gov.uk/government/publications/local-industrial-strategy-west-midlands-progress-statement>

Report to: Overview and Scrutiny Committee

Date: 12 July 2019

Subject: **Local Industrial Strategy Development**

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

Author(s): Emma Longbottom, Head of Policy and Strategy Coordination

1. Purpose of this report

- 1.1 To update the Overview and Scrutiny Committee on progress to develop a Local Industrial Strategy for Leeds City Region since July 2018.

2. Information

Background

- 2.1 In early 2018, the LEP Board and Combined Authority agreed that work would begin on the development of a Local Industrial Strategy for Leeds City Region. Sitting at the heart of a new, long-term strategic policy framework, the emerging Local Industrial Strategy will focus on bold steps aimed at boosting productivity and driving both inclusive and clean growth living for a post-2030 economy. The Local Industrial Strategy will be completed by December 2019, to be signed off by Government in March 2020.
- 2.2 Guidance in the form of a **policy prospectus on Local Industrial Strategies** was published by Government in early October 2018 (see **Appendix 1**). The guidance highlights that agreeing a Local Industrial Strategy will be a necessary condition for LEPs and Combined Authorities to draw down any future local growth funding (or Shared Prosperity Funding) being deployed. The prospectus also states that Local Industrial Strategies should remain strategic documents and not contain any proposals that require new funding or have spending implications outside existing budgets available to local areas.
- 2.3 The policy prospectus articulates that Local Industrial Strategies should set out clearly defined objectives to increase the productivity of the local economy. So that all places:

- Are able to increase productivity and realise their potential, building on well-evidenced and distinctive strengths aligned to the national Industrial Strategy.
 - Set out spatial impacts of national and local policy across cities, towns and rural areas, informing priorities and choices and demonstrating how they will allow all communities to contribute to, and benefit from, economic prosperity.
- 2.4 The LEP Board away day in September 2018 helped to shape thinking on the development of the Leeds City Region Local Industrial Strategy. Government representatives were invited to attend the event to update on the latest developments nationally and provide input and steer on the proposed approach.
- 2.5 Work is underway to identify key priorities against the five foundations of productivity – People, Place, Infrastructure, Ideas and Business Environment, which can be further developed and tested over the coming months to ensure that the Local Industrial Strategy is reflective of all parts of the region.
- 2.6 In addition, Government has set out four grand challenges – Clean Growth, Artificial Intelligence and Data, Future of Mobility and Ageing Society. Local Industrial Strategies will demonstrate how and where areas can contribute to one or more of these global challenges by identifying nationally significant strengths, assets and opportunities.
- 2.7 The Local Industrial Strategy is being co-produced with Government. Its ultimate endorsement by Government will mean it is a local expression of Government policy. This makes it a particularly powerful and influential strategy which will have an impact on future decisions about the region, for instance with regard to funding.
- 2.8 The [West Midlands](#) and [Greater Manchester](#) Local Industrial Strategies were the first to be published. As trailblazers they have worked with government closely over the past year. The published documents offer an insight into the expectations of government. Officers from the LEP have previously discussed the process with colleagues from both West Midlands and Manchester and met with government in June 2019 to further understand the process and any lessons learnt.
- 2.9 Prior to the June 2019 LEP board, the LEPs covering Leeds City Region and York and North Yorkshire have been working together to create a joint Local Industrial Strategy for their combined area. This is in the context of wider proposals to create a new LEP following Government recommendations that overlapping geographies between neighbouring LEPs need to be removed. Discussions around this merger are continuing with the aim of having a new LEP in place by March 2020, however more immediate decisions need to be taken on the Local Industrial Strategy than the merger timescales allow. To simplify the decision-making process and to enable work to progress quickly, including effective engagement with local areas and businesses, it is proposed that each LEP will carry out work to develop strategies reflecting the two

existing LEP geographies. There will continue to be significant collaboration between the two LEPs on the development of these strategies, with the view to bringing the two together into a single, coherent strategy for the new LEP geography once the merger process is complete.

Process

- 2.10 Government guidance is clear on the need for Local Industrial Strategies to be underpinned by robust evidence which draws out relative strengths and weaknesses, with an emphasis on productivity. A strong evidence base is already in existence and this will be developed and brought together into a full economic analysis, which will support the development of policy priorities.
- 2.11 A broad range of stakeholders responded to an initial call for evidence to inform the development of the Local Industrial Strategy evidence base. The call for evidence was distributed across key networks and published on the LEP and Combined Authority websites. Responses have included information regarding inclusive growth, construction skills, innovation and utilisation of work place skills. A second, more focused call for evidence has been launched in June 2019 to ask more specific questions and delve into the foundations of productivity¹. This is being shared with partners across the LEP geography for input.
- 2.12 Additional work has been undertaken where there is a gap in the existing knowledge base and a more intensive examination of the issues required to address gaps in intelligence and determine areas of distinctiveness across the LEP area. External consultancy and support has been commissioned to develop more detailed evidence around:
- *Productivity review*: greater analysis of productivity performance across the region, including analysis of sectors that have significant levels of low productivity firms.
 - *Understanding innovation in the region*: culture, capacity and potential for innovation across our business base.
 - *Health-tech/digital health audit* - seeks to better understand the nature of health-tech, particularly digital health, beyond the top line facts and figures, identifying genuine areas of distinctive strengths and opportunities across the region.
 - *Inclusive growth* – defining what inclusive growth means in the context of the Local Industrial Strategy and working towards a set of indicators in the context. Members of the Inclusive Growth Strategic Support Group were interviewed as part of work and will feed back to the Inclusive Growth Panel.
 - *Clean growth audit* - identify the current clean growth sectors and develop new areas of opportunity.
- 2.13 The initial economic analysis, and associated commissions was completed in June 2019. Further detailed work may follow. The final data report will be

¹ <https://wh.snapsurveys.com/s.asp?k=155980977122>

produced in summer 2019. An initial **SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis** is provided at **Appendix 2**.

- 2.14 An independent panel has been established to provide expert challenge and advice, and critical review of the evidence base and subsequent policy priorities. Members of the panel are drawn from academia, business, and the voluntary and community sector. The panel met on 1 May and provided feedback regarding the process to develop the Local Industrial Strategy. A further meeting is planned for July to consider the framework to shape the priorities for the Local Industrial Strategy and associated outcomes, along with the implications for policy development.
- 2.15 In addition, consultation and engagement will take place with LEP Board and Panels, businesses, universities, local authorities and community and citizen groups to best understand their priorities and the role that the LEP can play in meeting these. This will include District level consultation events through locally based meetings, for example, economic partnerships. Engagement has commenced, with a range of methodologies being explored including online consultation, social media, workshops and roundtables, and place-based community engagement events. To reflect the scale and long-term ambition of the Local Industrial Strategy, we will also engage with young people on their views and input into shaping our proposals.
- 2.16 An electronic progress update will be circulated regularly to update LEP Board and Panel members on the process as it develops. Detailed reporting updates will be provided to the Overview and Scrutiny Committee aligning with key milestones (see para 2.18 below) setting out the consultation feedback and emerging policy priorities for feedback on approach and development.
- 2.17 The process to develop the Local Industrial Strategy will be iterative and will evolve throughout the year. Engagement and co-production with Government will be undertaken throughout the development process to ensure that the Local Industrial Strategy is completed and submitted to Government in December 2019. Engagement with government has been ongoing throughout the development process. This includes:
- Monthly attendance at Project Board meetings
 - Workshop with Cities and Local Growth Unit (CLGU) and Business, Energy and Industrial Strategy (BEIS) analysts in March
 - Telekits from key departments on the foundations of productivity
 - Innovation workshop with BEIS, CLGU, Innovate UK, Institute for Manufacturing and northern LEPs in June 2019.
 - Workshop with BEIS, CLGU and Yorkshire LEPs in June 2019.
 - Individual sessions with relevant departments will be arranged in September once draft priorities have been agreed.

Key Milestones

- 2.18 Key milestones for the development of the Local Industrial Strategy throughout 2019 are set out below:

- Initial call for evidence completed May 2019
- Initial economic evidence report completed June 2019
- Stakeholder engagement to take place June/July 2019
- Second call for evidence June/July 2019
- Final economic evidence report complete August 2019
- Draft policy proposals August 2019
- Consultation and engagement on draft proposals September 2019
- Local Industrial Strategy drafted and tested October/November 2019
- Local Industrial Strategy finalised and submitted to Government December 2019
- Local Industrial Strategy published March 2020

3. Financial Implications

- 3.1 In addition to core staff resource to support research and intelligence and policy development activity, a budget of approximately £200,000 is available from Combined Authority / LEP internal budgets across the financial years 2018-19 and 2019-20 (subject to business planning and budget setting) to support development of the evidence base for the Local Industrial Strategy. In addition, funding identified in the ‘Strengthened Local Enterprise Partnerships’ has been allocated and approved by Government.

4. Legal Implications

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

5. Staffing Implications

- 5.1 The Local Industrial Strategy development forms a central component of the Combined Authority and LEP’s programme of work to broaden its policy range. This will require capacity and expertise from the Combined Authority, local authorities and other partners. This can largely be provided within existing resources.

6. External Consultees

- 6.1 A programme of external engagement is being undertaken to inform the development of the Local Industrial Strategy.

7. Recommendations

- 7.1 That the Overview and Scrutiny Committee notes the report and provide any comments.

8. Background Documents

Greater Manchester Local Industrial Strategy
<https://www.greatermanchester-ca.gov.uk/media/2132/gm-local-industrial-strategy-web.pdf>

West Midlands Local Industrial Strategy

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802091/west-midlands-local-industrial-strategy-single-page.pdf

Leeds City Region Local Industrial Strategy Call for Evidence

<https://wh.snapsurveys.com/s.asp?k=155980977122>

9. Appendices

Appendix 1: Local Industrial Strategy Policy Prospectus

Appendix 2: Leeds City Region Local Industrial Strategy SWOT Analysis



HM Government

Agenda Item 9

Appendix 1

Local Industrial Strategies

Policy Prospectus

October 2018



**INDUSTRIAL
STRATEGY**

“ We will work in partnership with places to develop Local Industrial Strategies, which will be developed locally and agreed with Government ”

Industrial Strategy: Building a Britain fit for the future (November 2017)

Introduction

The recently published Strengthened Local Enterprise Partnerships set out that reformed and stronger Local Enterprise Partnerships will adopt a single mission: to promote productivity by delivering Local Industrial Strategies.

We are now setting out the objectives, policy rationale and approach to developing Local Industrial Strategies in partnership with places. We will also outline next steps on engagement and implementation with Mayoral Combined Authorities and Local Enterprise Partnerships.

We want to build on the innovative approaches in Scotland, Wales and Northern Ireland.

This includes building on City and Growth Deals, supported by their respective boards, and working with places in Scotland, Wales and Northern Ireland - and with our partners in each devolved administration - to explore Local Industrial Strategies that align with regional, national and UK priorities.



Summary and objectives

Local Industrial Strategies will be long-term, based on clear evidence and aligned to the national Industrial Strategy.

They should set out clearly defined priorities for how cities, towns and rural areas will maximise their contribution to UK productivity. Local Industrial Strategies will allow places to make the most of their distinctive strengths. They will better coordinate economic policy at the local level and ensure greater collaboration across boundaries.

Subject to Local Industrial Strategies being agreed in places by Government, they will help to inform local choices, prioritise local action and, where appropriate, help to inform decisions at the national level.

They will also provide strategic overview which will inform Local Enterprise Partnerships' approach to any future local growth funding deployed through them. In conjunction with the key reforms set out in the Strengthened Local Enterprise Partnerships, Local Industrial Strategies will help local areas in England decide on their approach to maximising the long-term impact of the new UK Shared

Prosperity Fund once details of its operation and priorities are announced following the Spending Review.

Government is committed to Local Industrial Strategies so that all places:

- ▶ **Are able to increase productivity and realise their potential:** building on well-evidenced and distinctive strengths aligned with the national Industrial Strategy.
- ▶ **Set out the spatial impacts of national and local policy across our cities, towns and rural areas:** informing priorities and choices and demonstrating how they will allow all communities to contribute to, and benefit from, economic prosperity.

Context

The modern Industrial Strategy set out the Government's ambition to increase productivity and earning power across the country.

The modern Industrial Strategy set out the Government's ambition to increase productivity and earning power across the country. Yet our economic success has never been forged by central Government alone. It has required the ambition and ingenuity of local business and civic leaders.

Since 2010, we have delivered on an ambitious agenda including: **City Deals**, which provided the toolbox for places to address specific opportunities and challenges; **Devolution Deals**, which took this further, placing the responsibility and rewards of economic growth in the hands of newly elected **Metro Mayors**; and **Local Enterprise Partnerships** across the country, which developed **Strategic Economic Plans** to invest through the **Local Growth Fund**. Local Industrial Strategies will build on this approach. They will allow us to deepen partnerships and establish new ways of working between national and local government, and the public and private sectors.

As set out in the Industrial Strategy White Paper, we expect that Local Industrial Strategies will help guide the strategic use of local funding streams; they will also act as a gateway to any future local growth funding being deployed through strengthened Local Enterprise Partnerships. Local Industrial Strategies should, however, remain strategic documents and not contain any proposals that require new funding or have spending implications outside of existing budgets available to local areas.

Rationale

We know that growth does not happen in the abstract.

Cities, towns and rural areas across the UK contribute to growth at the national level. They have different assets and different opportunities to capitalise on emerging technologies or new global markets.

Local Industrial Strategies should set out clearly defined objectives to increase the productivity of the local economy. They will address local strengths and weaknesses, as well as market opportunities and failures. Barriers to growth also vary across the country - and within localities - so the appropriate mix of policies to boost productivity will vary too.

In England, Local Industrial Strategies provide an opportunity for Local Enterprise Partnerships and Mayoral Combined Authorities to engage and involve business in developing a shared vision for the long-term. To achieve this, Local Industrial Strategies will need to

be a product of extensive consultation with businesses, a broad range of public partners and the civil society sector. Where assets, opportunities and challenges extend beyond their geographies, we encourage Local Enterprise Partnerships and Mayoral Combined Authorities to collaborate across those boundaries to maximise growth through initiatives such as the Northern Powerhouse and Midlands Engine. Local Industrial Strategies should also set out where and how places can best work with Government to address shared priorities.

Developing a Local Industrial Strategy

As we set out in the Industrial Strategy White Paper, we will work in partnership with places to develop Local Industrial Strategies, which will be developed locally and agreed with Government.

Places in England with a Mayoral Combined Authority will have a single strategy led by the mayor and supported by Local Enterprise Partnerships. For parts of England without a mayor, the development of the strategy will be led by the Local Enterprise Partnership.

The Industrial Strategy White Paper set out that the first Local Industrial Strategies will be agreed with Government by March 2019.

Government will aim to agree all places' Local Industrial Strategies in England by early 2020. Agreeing a Local Industrial Strategy for their area with Government will be a necessary condition for Mayoral Combined Authorities and Local Enterprise Partnerships to draw down any future local growth funding being deployed through them.



Agreement of Local Industrial Strategies will be dependent on a Local Industrial Strategy being consistent with this document.

To be successful, Local Industrial Strategies must be developed from the bottom up and led by those who best know the needs of local economies. Our experience of working with trailblazer areas has allowed us to inform locally-led approaches.

Local Industrial Strategies should:

Evidence

Set out a robust and open evidence base. This will draw out the relative strengths and weaknesses of the local economy, with an emphasis on increasing productivity. Places should harness the expertise of universities, independent experts, the civil society sector and other stakeholders to develop a granular understanding of the local economy.

Focus

Map out specific opportunities and challenges. This will build:

- ▶ **On specific distinctive local strengths and address any local weaknesses.** This may involve an emphasis on skills, whilst in others it may be land supply, congestion or working with relevant local authorities in the delivery of housing where it is a barrier to growth.

In others, it may involve harnessing distinctive strengths to meet the Industrial Strategy's **Grand Challenges** (Artificial Intelligence and data; ageing society; clean growth; future of mobility). And for others, it may involve identifying weaknesses in productivity across their local areas or communities, such as in isolated rural or urban communities.

- ▶ **Across the foundations of productivity.** As well as articulating specific strengths, any strategy intending to drive productivity must address the fundamentals of local economies. In line with the Industrial Strategy, local strategies should identify priorities across **Ideas, People, Infrastructure, Business Environment and Places.** In addition to this, they should set out the inter-connectedness of these priorities in a place, and where local action will add value in providing greater policy integration.

Collaboration

Make clear how Mayoral Combined Authorities and Local Enterprise Partnerships will work in partnership with public and private stakeholders to achieve their ambitions. The best Local Industrial Strategies will show how places have brought together partners to achieve shared ambitions within and across boundaries. This could include how partners collaborate across broader regional geographies such as the Northern Powerhouse and Midlands Engine. This will allow strategies to inform choices of how to improve productivity.

Prioritisation

Prioritise specific, achievable and long-term ambitions. Using this evidence, these priorities should relate to specific challenges and future opportunities to enhance productivity. Local Industrial Strategies should not set out to be exhaustive, but instead identify a strategic course, supported by complementary policies and actions.

Evaluation

Set out clear plans to evaluate progress. This should be proportionate and initiated from the start of the process. The best Local Industrial Strategies will specify what success looks like and build in a transparent mechanism for monitoring how it is being achieved. Places should continue to engage with independent expertise in this area. This could include drawing on the lessons of policy evaluation such as the *What Works Centre for Local Economic Growth* and their recent work around Local Industrial Strategies.

Next steps on implementation and engagement

Will all Mayoral Combined Authorities and Local Enterprise Partnerships develop a Local Industrial Strategy?

We have invited all remaining Mayoral Combined Authorities and Local Enterprise Partnerships to begin developing a Local Industrial Strategy.

We have already been working intensively with Greater Manchester, West Midlands and partners across the Oxford - Milton Keynes - Cambridge corridor to develop trailblazer Local Industrial Strategies. Our approach has drawn on this approach.

This invitation is subject to places demonstrating commitment to responding to the recommendations of the Strengthened Local Enterprise Partnerships in full.

How should Local Enterprise Partnerships demonstrate they are committed to implementing the Local Enterprise Partnership review recommendations?

We expect all Local Enterprise Partnerships to show how they intend to use additional capacity funding to support future work on Local Industrial Strategies.



We expect to receive this material alongside an implementation plan to respond to Strengthened Local Enterprise Partnerships, which will include any suggested changes to Local Enterprise Partnership geography.

What are the next steps for engagement?

The Government will take a phased approach to working with places across the country and announced the second wave of places in July. We encourage all Mayoral Combined Authorities and Local Enterprise Partnerships to continue to work towards developing their Strategy.

Government will work with the Local Enterprise Partnership Network and others to establish a series of regional workshops over the coming months. This will allow us to support locally-led work, discuss the policy principles in more detail, and ensure the sharing of approaches within the sector.

All Local Enterprise Partnerships and Mayoral Combined Authorities will have dedicated official support from an Area Lead within the Cities and Local Growth Unit - a joint Unit between the Department for Business, Energy and Industrial Strategy and the Ministry of Housing, Communities and Local Government.

Government will also be undertaking further work with a wide range of partners, including universities, think tanks, and business representative organisations, as we continue to develop our approach. This will ensure that the policy development is informed by latest thinking and international best practice.

What is within the scope of a Local Industrial Strategy?

The national Industrial Strategy provides a policy framework against which major private and public sector investment decisions can be made with confidence. Our national framework will only be effective if it reflects and makes the most of opportunities and challenges facing places across the country. As set out above, priorities will vary across the country. They might include ambitions to drive housing growth, make use of land supply, improve local skills or strengthen communities. They will also need to make use of existing local governance arrangements.

Will there be additional funding to develop a Local Industrial Strategy?

As set out in Strengthened Local Enterprise Partnerships, we will provide an additional £200,000 in 2018/19 to Local Enterprise Partnerships that clearly set out how they will adopt its recommendations. This will allow them to both implement the review and embed evidence within Local Industrial Strategies.



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Headline SWOT analysis

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Substantial university strengths with one of the biggest HE clusters in Europe, with research strengths in key subjects. • Innovation hotspots around the key university centres of Leeds and York. • The area is characterised by high levels of green space and areas of outstanding natural beauty. Alongside areas of relatively affordable housing, these add to the area's attraction as a place to live and work. • Although gaps to national performance persist, the labour market is strong by historic standards. • A highly diverse economy that can help to withstand sector-specific shocks and challenges. 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Productivity is below national levels in all parts of our area, and the gap to national performance is not closing. • Despite improvements there remains a gap between local and national skill levels, particularly in West Yorkshire and particularly for higher level skills. • Relatively low levels of business investment in R&D and innovation activity. • Investment in the transport system has not kept pace with economic and population growth. Congestion and capacity constraints risk hampering future economic growth. • Some of the highest levels of deprivation in the country, with pockets across the area. • The lack of an OEM presents challenges around the coherence of supply chains and the productivity benefits such businesses can bring.
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Increasing exposure to key non-EU export markets such as US and China could deliver a productivity dividend. • Universities provide opportunities to increase business innovation performance through collaboration. • Manufacturing subsectors offer degrees of employment specialism, though professional services jobs have seen strongest growth. • A tighter labour market offers potential to upskill existing staff, increase earnings and build a more inclusive economy. • Existing strengths in energy generation offer potential in clean growth. 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Lack of investment, partly due to Brexit uncertainty, risks further weakening of productivity performance. • Insufficient access to appropriately skilled workers could constrain businesses' ability to grow and this could be compounded by lack of responsiveness in skills system. • Automation poses a threat to a significant number of jobs in a range of industries, particularly for lower skilled workers. • The lack of a clear unique sector strength or focal point for economic narrative could reduce the area's distinctiveness.

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Report to: Overview and Scrutiny Committee

Date: 12 July 2019

Subject: **Overview and Monitoring report**

Director: Angela Taylor, Corporate Services

Author(s): Khaled Berroum, Scrutiny Officer

1. Purpose of this report

- 1.1 To act as a single central place containing information updates on topics of interest, items considered by scrutiny in the past, implementation and achievement against recommendations scrutiny has made, progress on any reviews or working groups, and any other matters the committee has asked to maintain an overview of and monitor in between meetings.

2. Information

Background

- 2.1 This standing item has been put in place following feedback from members last year that scrutiny should maintain a closer overview of progress on issues it has considered and recommendations it has made in the past.
- 2.2 The report format is still a work in progress and feedback and comments from members is welcome.

Briefing notes

- 2.3 At the inquorate meeting held on 24 May 2019, members requested briefing notes providing more detail on:
1. Overview of low uptake in AGE grant programme PHASE 2 and which grant criteria was changed to increase uptake.
 2. Explanation of current/planned work on procurement policy with regards to local supply chains in the region.
 3. Background info on upcoming the 'Climate Summit' and Blue & Green Infrastructure Plan/Strategy.
 4. Overview of Broadband rollout and the 'ongoing challenges in contract 2' mentioned in the report.

- 5. Further information on the Growing Places Fund and planned changes to its delivery.
- 2.4 The information provided is attached at **Appendix 1**.
- 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 To note the report and briefing notes.
- 8. Background Documents**
 - None.
- 9. Appendices**
 - Appendix 1 – Briefing Notes requested at the 24 May 2019 meeting

Scrutiny actions

1. Overview of low uptake in AGE grant programme PHASE 2 and which grant criteria was changed to increase uptake.

As reported to the May meeting of the Overview and Scrutiny Committee the following Key Performance Indicator (KPI) relating to apprenticeships, was not met in 2018/19:

Indicator	Target	2018/19 result	Notes
Supporting businesses to offer apprenticeships	1,000 businesses	43	We have significantly under-achieved against this target as it relied on the delivery the new ESIF funded Employment Hub project. Delays in contracting at DWP (the managing agent) have delayed the start of the project by 9 months. Contracts have now been signed and delivery will begin shortly so outputs have been rolled into 2019/20. The low level of demand for the AGE grant has also impacted performance and a revised criteria has now been implemented.

As highlighted in the table above the key reason for not meeting this target was due to delays in securing the Employment Hub contract from the Department of Work and Pensions. However, members of the Overview and Scrutiny Committee also raised a specific query in relation to the low level of take up of the AGE grant, as referenced above and sought clarification on how the criteria for this grant had been changed to increase uptake.

Response:

The AGE grant currently provides up to £2,500 for businesses who wish to recruit an apprentice. The Combined Authority had previously seen a high level of demand for phase 1 of the grant. However, the second phase of the grant launched in August 2018, which had new criteria to reflect LEP skills priorities, failed to attract the anticipated volume of grant applications. The phase 2 criteria for the AGE grant, along with significant changes to national apprenticeship funding for businesses, have resulted in reduced overall demand for the grant.

In January 2019 the LEP Board approved a revision of the grant criteria in order to create more/additional applicants to phase 2. The revised grant criteria opened up the grant to businesses with 249 employees or less (whereas it was previously restricted to 50 or less employees). In addition the revisions allowed applications to be made from business within any sector, whereas originally the grant was restricted

to LEP skill priority sectors. At the same time the grant value was increased by £500.

Targeted marketing began in May 2019 to reflect the revised criteria outlined above and this will continue throughout the summer. It is however too early to assess the impact that this has had on take up, as most apprentices are recruited during September/October.

The AGE grant will remain under review as national apprenticeship changes continue to be implemented. A report has been requested by the Employment and Skills Panel for its next meeting on this subject.

2. Explanation of current/planned work on procurement policy with regards to local supply chains in the region.

The Overview and Scrutiny Committee asked for further information on how the organisation can seek to ensure that local supply chains are adequately reflected in procurement processes.

Response:

The Combined Authority procurement team recognise the value that SME's have in helping us to achieve our corporate and commercial objectives. Corporately they create jobs and support economic growth and commercially they are a source of innovation and provide a dynamic competitive market. Procurement activity at the Combined Authority needs to support the existence and development of an SME supply market in a manner that is compliant with legislation and delivers the intended outcomes.

The Combined Authority needs to ensure that there are no artificial barriers to SME's participating and winning our procurement opportunities. A lot of work has been done in recent years across the public sector to address this issue and the recently created Procurement function have adopted processes that embrace these initiatives. Such as:

- Greater use of the open tender process, rather than restricted
- Use of the standard selection questionnaire
- Encouragement of pre-market engagement exercises
- Advertising in Contract Finder
- Use of lotting in tenders
- Self-certification
- Faster payment terms through the supply chain

However there is still more than can and will be done as we develop the function. These include:

- Linking up with our Economic Services SME engagement, with potentially targeted advertising to the SME community

- Establishing an SME forum, to obtain feedback on whether we are “Easy to do business with”.
- Review the potential for a supplier questionnaire
- Internal training session – focussed around removing barriers in procurement criteria
- Meet the Buyer type opportunities potentially collaborating across regional partners
- Procurement strategies that tackle the issue of SME inclusion directly e.g. considering SME friendly processes
- Promoting and encouraging sub-contracting opportunities

To monitor the results from this activity we need to measure the number of our suppliers classified as SME’s etc. This is proving challenging at the current time due to the availability of the data via current systems. We are working to improve this situation as soon as possible. We can then benchmark how successful we are attracting and working with SME’s over time. All of these activities are not only permissible but are actively encouraged within public procurement.

Consideration could also be given to further promoting opportunities for SME’s. However thought must be given to the wider impact of such initiatives. The Combined Authority needs to ensure high quality delivery for its commissions which means appointing the best supplier for the work. We also need to encourage the adoption of best practice and innovative techniques within a vibrant supply market.

3. Background info on upcoming the ‘Climate Summit’ and Blue & Green Infrastructure Plan/Strategy.

Overview and Scrutiny Committee asked for further details to be provided on the status of the Energy Plan, the Green and Blue Infrastructure Strategy and the proposed climate summit.

Response:

The Combined Authority adopted the following strategies at their meeting of 13 December 2018:

- Leeds City Region Green & Blue Infrastructure Strategy & Delivery Plan; and
- Leeds City Region Energy Strategy & Delivery Plan.

More details about both of these are provided below:

Energy Strategy & Delivery Plan

The Energy Strategy and Delivery Plan is the response of City Region partners to the global challenge of providing a secure, affordable energy supply for our residents and businesses, while also lowering carbon emissions to help the UK meet its

national (Climate Change Act) and international (Paris Climate Change Agreement) carbon reduction targets.

The Strategy sets out how investment will be targeted across five priority actions areas to meet the ambition of becoming a *zero-carbon energy economy*. The Strategy also sets the carbon emission reduction trajectory that the City Region would need to deliver against to comply with the Paris Climate Change Agreement and seeks feedback from the Board on the setting of a City Region carbon reduction target in line with Paris.

A copy of the strategy can be found here: <https://www.westyorks-ca.gov.uk/media/2424/leeds-city-region-energy-strategy.pdf>

Green & Blue Infrastructure Strategy & Delivery Plan

The Green and Blue Infrastructure Strategy and Delivery Plan sets out how we will make the most of the region's natural assets to help the economy prosper, enable people to enjoy a great quality of life, and combat the effects of climate change.

The strategy focuses on seven priorities to achieve the following vision:

“Everybody in the City Region is within easy reach of an outstanding and well used network of green and blue infrastructure that reduces flood risks and supports health, the economy, the environment and a superb quality of life”.

A shortlist of 12 projects have been identified from a long list of over 160 for delivery over the next 5 years.

A copy of the strategy can be found here: <https://www.westyorks-ca.gov.uk/media/2432/leeds-city-region-green-and-blue-infrastructure-4-page-final.pdf>

Event - 10th July 2019:

An event is due to be held on 10 July 2019, where city region leaders will come together to sign a climate pledge. This will be based on partners committing to work together at a regional level to tackle climate change and work towards a regional carbon reduction target.

This event will also see the launch of a wider communications campaign highlighting the principles set out in the Energy Strategy and Delivery Plan. This campaign will feature city region leaders and LEP Board members as well as young people and grassroots organisations from across the Leeds City Region.

Climate Summit 2020:

It is proposed to hold a climate summit in Spring 2020. This will be an opportunity to build on the Energy Strategy and Delivery Plan achievements so far and to promote our aspirations post 2020. The proposed format and content of the event is currently under development.

4. **Overview of Broadband rollout and the ‘ongoing challenges in contract 2’ mentioned in the report.**

Members of the Overview and Scrutiny Committee raised a query regarding a KPI for 2019/20 which relates to providing broadband infrastructure to over 5,000 homes in urban and rural communities during 2019/20. In the notes which accompanied this KPI, specific reference was made to ongoing challenges in broadband contract 2 and Members sought further clarification on the nature of these challenges.

Response:

As contract 2 rolls out superfast broadband to the more remote geographies in the region, it becomes increasingly difficult (and expensive) to find suitable sites for fibre cabinets, to locate suitable sources of power and to lay fibre along very rural roads. The project, by its very essence, is to incentivise Openreach to go where they wouldn't/couldn't go on a purely commercial basis, hence these future locations in contract 2 will be the most difficult and costly places to deploy superfast broadband.

As we try to build fibre further out from the main urban, semi-urban areas, the cost of a fibre “structure” will therefore increase and the number of premises, both residential and business, served by each structure provided, will decrease due to the complexities outlined above. The impact of this is that the cost per premise in contract 2 will increase compared to previous contracts.

There comes a time when the cost/premise for a proposed structure cannot be justified. It is public money that we are spending and we must achieve good value for money. When a structure is deemed to be too expensive to build, we always look for an alternative one to take its place. Any removal/replacement is assessed by the project team and Openreach, and is discussed and approved by LA partner project reps.

5. **Further information on the Growing Places Fund and planned changes to its delivery.**

The Overview and Scrutiny Committee requested further information about the Growing Places Fund and the future proposals for the fund.

Response:

The Growing Places Fund (GPF) began in 2012 offering loans to support projects that required additional capital funding to deliver jobs and economic growth and to unlock stalled developments post-recession, within a timescale of five years or less. The fund was open to all businesses and organisations of any size based in or looking to invest in the Leeds City Region. Any future loans are however currently on hold pending the launch of a renewed fund aimed at the needs of the current lending environment and SMEs.

The programme has currently enabled the sustainment or creation of 835 jobs and the building of 785 homes of which 106 (13.8%) are affordable. The projects funded through GPF have delivered developments that would either have been unviable or not realised as quickly as they have been. £16.5 million of capital has so far been returned through repayment of loans.

Work is currently underway to consider how best to relaunch, the returned capital in a new fund suited to the current lending market. This follows a review undertaken by PWC in summer 2018, which concluded that while there is a continuing demand for this type of fund to kick start new projects, the market has changed significantly since the fund was first established in 2012, as banks will lend but are more risk averse. The review highlighted that a more commercial approach needs to be adopted going forward in order to balance the exposure to risks.

Following consideration of the PWC findings and wider discussions with other authorities administering similar grants, a potential model has been identified for a new commercially focussed fund led internally by the Combined Authority. A procurement exercise is currently underway to appoint consultants to advise on the detailed scope of a replacement fund and to identify the specific commercial skills that would be required to manage this. Dependent on the outcome of this work, it is currently envisaged that a replacement for the GPF could be introduced in early 2020. A portion of the recycled capital is earmarked for grants to support inclusive growth and the LEP Board have considered this.