

LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD

MEETING TO BE HELD AT 2.00 PM ON THURSDAY, 18 JULY 2019
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON
STREET, LEEDS

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

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

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

3. EXCLUSION OF THE PRESS AND PUBLIC

4. MINUTES OF THE MEETING HELD ON 6 JUNE 2019

(Pages 1 - 12)

5. PANEL AND COMMITTEE REPORTS

(a) BUSINESS COMMUNICATIONS GROUP

(Led by: Joanna Robinson)

(Pages 13 - 16)

(b) BUSINESS GROWTH PROGRAMME

(Led by: Andrew Wright)

(Pages 17 - 26)

(c) GREEN ECONOMY PANEL

(Led by: Simon Pringle)

(Pages 27 - 30)

(d) CAPITAL PROGRAMME (INVESTMENT COMMITTEE)

(Led by: Cllr P Box)

(Pages 31 - 44)

6. LOCAL INDUSTRIAL STRATEGY DEVELOPMENT

(Led by: Alan Reiss, Author: Emma Longbottom)

(Pages 45 - 48)

7. INCLUSIVE GROWTH - UPDATE ON ACTIVITIES

(Led by: Alan Reiss, Authors: James Flanagan & Britta Berger-Voigt)

(Pages 49 - 54)

8. STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS

(Led by: Roger Marsh, Author: Jon Skinner)

(Pages 55 - 60)

9. CULTURE AND CITIZEN EXPERIENCE

(Led by: Alan Reiss, Author: Karen Durham)

(Pages 61 - 68)

10. CORPORATE PERFORMANCE REPORT

(Pages 69 - 76)

For Information

11. DATE OF NEXT MEETING

The next meeting will be held on 25 September 2019.



**MINUTES OF THE ANNUAL MEETING OF THE
LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD
HELD ON THURSDAY, 6 JUNE 2019 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Roger Marsh OBE (Chair)	Leeds City Region Enterprise Partnership
Ian Cherry	Nexus Vehicle Management
Amir Hussain	Yeme Architects
Rashik Parmar MBE	IBM Academy of Technology (Chair, Employment & Skills Panel)
Joanna Robinson	Mansfield Pollard (Chair, Business Communications Group)
Andrew Wright	A W Hainsworth Ltd (Chair, Business Innovation & Growth Panel)
Councillor Keith Aspden	City of York Council
Councillor Denise Jeffery (Substitute)	Wakefield Council
Councillor Andrew Lee (Substitute)	North Yorkshire County Council
Councillor Jane Scullion (Substitute)	Calderdale Council
Councillor Peter McBride (Substitute)	Kirklees Council

In attendance:

Councillor Elizabeth Smaje	Chair, Overview & Scrutiny Committee
Tom Riordan	Leeds City Council
Ben Still	LEP/West Yorkshire Combined Authority
Caroline Allen	LEP/West Yorkshire Combined Authority
Ruth Chaplin	LEP/West Yorkshire Combined Authority
Angela Taylor	LEP/West Yorkshire Combined Authority
Alan Reiss	LEP/West Yorkshire Combined Authority
Kate Thompson	LEP/West Yorkshire Combined Authority
James Hopton	LEP/West Yorkshire Combined Authority

1. Chair's Comments

The Chair welcomed Councillor Keith Aspden who was returning to the LEP Board as the City of York's representative. Ian Cherry, who was attending his last meeting, was thanked for his contributions to the LEP Board over the

last three years, substitute for the Chair on the Transport for the North Partnership Board and also as a co-opted member of the Combined Authority's Transport Committee.

2. Membership of the Leeds City Region Enterprise Partnership Board

The Board considered a report of the Director of Corporate Services which asked the Leeds City Region Enterprise Board (the LEP Board) to:

- Note the local authority representatives and substitutes appointed to the LEP Board.
- Confirm the private sector representatives on the LEP Board.
- Confirm the member of the LEP Board to represent and engage with the SME business community.
- Confirm a LEP Diversity Champion.

It was reported that confirmation had now been received of Councillor Peter McBride's appointment as substitute for Councillor Shabir Pandor.

Resolved:

- (i) That the local authority representatives and substitutes appointed to the LEP Board as set out in Appendix 1 to the submitted report, with the addition of Councillor Peter McBride as Kirklees' substitute, be noted.
- (ii) That the current private sector representatives on the LEP Board as set out in Appendix 2 of the submitted report be confirmed.
- (iii) That Mark Roberts be appointed as a private sector representative to the LEP Board with effect from 1 July 2019 to fill the vacancy created by Ian Cherry's departure.
- (iv) That Joanna Robinson be confirmed as the member of the LEP Board to represent and engage with the SME business community.
- (v) That Nicola Greenan be confirmed as the LEP's Diversity Champion.

3. Appointment of the Deputy Chair of the LEP

The Board considered a report of the Director of Corporate Services on the appointment of a Deputy Chair of the Leeds City Region Enterprise Partnership (the LEP).

Resolved: That the LEP Board appoints Councillor Tim Swift as Deputy Chair of the LEP for a term of office of three years, subject to confirmation further to the review of LEP arrangements.

4. Apologies for Absence

Apologies for absence were received from Adam Beaumont, Bob Cryan, Nic Greenan, Simon Pringle and Councillors Judith Blake, Peter Box, Richard Cooper, Susan Hinchcliffe, Carl Les, Shabir Pandor and Tim Swift.

5. Declarations of Interest

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

Joanna Robinson advised the LEP Board that Mansfield Pollard had applied for grant funding for training and she wished to declare a personal interest should there be any discussion on this.

6. Exclusion of the Press and Public

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

7. Minutes of the meeting held on 26 March 2019

Resolved: That the minutes of the meeting held on 26 March 2019 be approved and signed by the Chair.

8. Nomination to the West Yorkshire Combined Authority and Appointments to Outside Bodies

The Board considered a report of the Director of Corporate Services regarding nominations to the West Yorkshire Combined Authority ("the Combined Authority") and appointments to outside bodies.

Resolved:

- (i) That Roger Marsh be the LEP Member on the Combined Authority, and Professor Bob Cryan to be the substitute LEP Member on the Combined Authority.
- (ii) That Mark Roberts be nominated as one of the two non-voting members of the Combined Authority's Transport Committee with effect from 1 July 2019 and the current vacancy remains unfilled at the present time.
- (iii) That Roger Marsh be nominated as a member of the Transport for the North's (TfN) Partnership Board to be re-appointed at the TfN annual meeting, with Mark Roberts as his substitute with effect from 1 July 2019, and that it be noted that TfN practice is to co-opt the LEP's representative on the Partnership Board to the TfN Board.

- (iv) That Roger Marsh, Chair of the LEP, is a nominated representative to the Strategic Oversight Board for Northern Powerhouse Investment Fund Ltd, with Ben Still, Chief Executive Officer of the LEP as his alternate, be noted.

9. Appointment of Panels and Advisory Group to the LEP (Business Communications Group)

The Board considered a report of the Director of Corporate Services in respect of the appointment of panels and advisory group to the LEP (Business Communications Group):

- To note the West Yorkshire Combined Authority's (the Combined Authority's) panel arrangements to be confirmed at the Combined Authority's annual meeting on 27 June 2019, and to make recommendations in respect of private sector representation on those panels.
- To ask the LEP Board to appoint the Business Communications Group as an advisory group of the LEP Board, and confirm its membership, the Chair and updated governance arrangements.

Resolved:

- (i) That the panel (advisory committee) arrangements as set out in the submitted report be noted.
- (ii) That the LEP Board endorses the current private sector membership and recommends extensions to terms of office and nominates private sector representatives in accordance with the schedules attached at Appendices 1 and 2 to the submitted report.
- (iii) That the Business Communications Group be appointed as an advisory group of the LEP Board.
- (iv) That the members of the Business Communications Group as set out in Appendix 3 to the submitted report be confirmed.
- (v) That the governance arrangements for the Business Communications Group as set out in Appendix 4 to the submitted report be endorsed.
- (vi) That Joanna Robinson be appointed as Chair of the Business Communications Group.

10. Governance Arrangements

The Board considered a report of the Director of Corporate Services on the governance documents for the Leeds City Region Enterprise Partnership (LEP) and reviewed appendices 1-12 which were attached to the submitted report.

In respect of standards arrangements, it was reported that some of the proposed amendments to the LEP Board Members' Code of Conduct and the Procedure for Considering Complaints about Conduct follow best practice recommendations made by the Committee on Standards in Public Life in its report on standards in local government and these were attached at Appendix 8. Although the report did not directly address standards for local enterprise partnerships, the Head of Legal and Governance Services has reviewed the LEP's arrangements against the best practice recommendations and consequently, some amendments are proposed to further enhance transparency and promote high standards of conduct.

Resolved: That the following LEP's governance documents, attached to the submitted report, be approved:

- Appendix 1 : LEP Constitution
- Appendix 2 : LEP Procedure Rules
- Appendix 3 : Access to Information Annex
- Appendix 4 : Code of Practice for recording meetings
- Appendix 5 : LEP Whistleblowing Policy
- Appendix 6 : LEP's Confidential Complaints Procedure
- Appendix 7 : Recruitment Procedure for Private Sector Representatives
- Appendix 9 : LEP Board Members' Code of Conduct
- Appendix 10: LEP Procedure for considering complaints alleging a failure to comply with the LEP Board Members' Code of Conduct
- Appendix 11: Conflicts of Interest Policy
- Appendix 12: Conflicts of Interest Protocol

11. Annual Accountability Reports

The Board considered a report of the Director of Corporate Services which:

- Provided annual reports in respect of complaints and concerns raised about the LEP and/or members of the LEP Board this year.
- Provided a summary of applications for grants considered during the last financial year under arrangements to address conflicts of interest.

Resolved:

- (i) That the LEP Board notes that no complaints or concerns have been raised this year under the LEP's complaints procedures, the Combined Authority's complaints policy or the LEP's whistleblowing policy.
- (ii) That the LEP Board notes the summary set out in Appendix 1 to the submitted report relating to grant applications considered under conflict of interest arrangements in place during 2018-19.

12. Remuneration and Expenses Scheme and Annual Summary

The Board considered a report of the Director of Corporate Services which:

- Provided the annual summary of remuneration and expenses paid to members of the LEP Board.
- Sought adoption of the LEP Board Members' Remuneration and Expenses Scheme for 2019-20.

Resolved:

- (i) That the LEP Board Members' Remuneration and Expenses Scheme for 2019-20, attached at Appendix 1 of the submitted report, be adopted.
- (ii) That the annual summary of remuneration and expenses, attached at Appendix 2 of the submitted report, be noted.

13. Equality and Diversity Policy and Statement

The Board considered a report of the Director of Policy, Strategy and Communications on the Equality and Diversity Policy Statement.

The Policy and Statement was attached at Appendix 1 to the submitted report and a table outlining the composition of the Board was attached at Appendix 2.

Resolved: That the Equality and Diversity Policy and Diversity Statement which forms part of the LEP's Assurance Framework be approved.

14. Scrutiny Annual Report 2018/19 and Statutory Guidance

The Board considered a report of the Director of Corporate Services on the scrutiny annual report 2018/19 and statutory guidance.

Councillor Liz Smaje, Chair of the Overview and Scrutiny Committee, highlighted the work undertaken by the Committee during the 2018/19 municipal year which was outlined in the summary provided in the report.

It was noted that new statutory scrutiny guidance had been issued by Government in May 2019 and the Combined Authority intend to review the current scrutiny arrangements to ensure they are compliant with the new statutory guidance and in line with best practice in scrutiny nationally.

The benefits of scrutiny as part of the organisation's decision making process were welcomed and the Board thanked Councillor Smaje and the Committee for their work over the last 12 months.

Resolved:

- (i) That the annual report summarising the work undertaken by the Overview and Scrutiny Committee in 2018/19 be noted.
- (ii) That the LEP Board notes and supports the intention to review the Combined Authority's current scrutiny arrangements to ensure they are compliant with new statutory guidance and in line with best practice in scrutiny nationally.

15. Calendar of Meetings 2019/20

The Board considered a report of the Director of Corporate Services on the proposed calendar of meetings for the LEP Board for 2019/20 and the provisional dates for panels appointed by the West Yorkshire Combined Authority (Combined Authority) which report to the LEP Board and other committees.

Resolved:

- (i) That the calendar of meetings proposed for the LEP Board for 2019/20 as detailed in Appendix 1 of the submitted report be approved.
- (ii) That the provisional meeting dates for panels to be appointed by the Combined Authority which report to the LEP Board, as detailed in Appendix 1 of the submitted report be noted.
- (iii) That the provisional meeting dates of the Transport Committee, West Yorkshire & York Investment Committee and the Business Investment Panel as detailed in Appendix 1 of the submitted report be noted.

16. Public Question Time

The Board considered a report of the Director of Policy, Strategy and Communications which provided an overview of the LEP Question Time Session which took place at the meeting.

It was reported that a requirement of the Strengthened Local Enterprise Partnership review is that all LEPs hold an annual meeting at which the public has the opportunity to ask questions of the LEP Board. Therefore, in order to encourage participation, the LEP Question Time opportunity had been widely publicised and a total of 46 questions had been received. Several of these were covered at the meeting and all the questions and responses will be published on the LEP website by 30 June 2019.

The LEP Board thanked the public for their submissions and encouraged them to continue to contact the LEP with any further questions.

Resolved: That the report be noted.

17. Panel and Committee Reports

The Board discussed and noted the Panel and Committee updates which were presented to the Board for information.

Members noted the Business Communications Group update and noted that the business communities had expressed an interest in being involved in the workshop sessions being held to seek initial views on the Local Industrial Strategy and Skills Commission.

In respect of the Business Innovation and Growth Panel, it was reported that positive findings of the productivity pilot were now emerging. The pilot had invited businesses to apply for grants to support capital investments and details were outlined in the report.

In noting the Employment & Skills Panel update, it was reported that the Combined Authority had been successful in its application to the Careers and Enterprise Company for a pan-regional Leeds City Region SEND Careers Hub. The Hub was due to commence delivery in September 2019.

The update on the Green Economy Panel's major projects and programmes was noted. It was reported that a key piece of work was setting a carbon reduction target for the City Region and it was proposed to hold four workshops involving key stakeholders prior to a media event on 10 July 2019. It was reported that a joint working group between the Transport Committee and Green Economy Panel was being established to support the delivery of the Energy Strategy and Delivery Plan (ESDP) and its carbon dioxide emission reduction ambitions.

In respect of the Capital Programme (Investment Committee) update, the Growth Deal Dashboard for the year end performance attached at Appendix 1 to the submitted report was noted. Members were advised that as the LEP Board had not met before the 24 May 2019 deadline, the Growth Deal CLoG (Cities and Local Growth Unit) Monitoring Dashboard for Quarter 4, 2018/19 had been signed off by the Combined Authority's Section 73 Officer. The dashboard was attached at Appendix 3 and was endorsed by the LEP Board.

The Panel, Committee and Group Chairs were thanked for their updates.

Resolved:

- (i) That the Panel, Committee and Group updates be noted.
- (ii) That the CLoG monitoring dashboard be endorsed for sign off by the LEP Chair.

18. Strengthened Local Enterprise Partnerships

The Board considered a report of the Director of Policy, Strategy and Communications which set out the activities which the LEP Board needs to initiate in order that future Local Enterprise Partnership (LEP) arrangements in the City Region comply with the Government's requirements for strengthened LEPs.

Members discussed and noted the overview of the LEP's current position in terms of meeting the full requirements of Strengthened LEPs which was attached at Appendix 1. It was reported that the joint Transition Subgroup, comprising members of both the York, North Yorkshire and East Riding (YNYER) LEP and the Leeds City Region LEP, was continuing its work. However, although in-principle agreement had been reached on some matters, discussions were continuing on outstanding issues. It was acknowledged that without prejudicing the outcome of those discussions, some deadlines required the LEP to act now in order that LEP arrangements in the City Region comply with the Government's requirements in spring 2020. Members considered the detail of those decisions and the reasons for them which were outlined in the submitted report. It was recognised that should those steps outlined in the report not be taken there would be an increased risk that the City Region's future LEP arrangements will not fully comply with Government's requirements which could jeopardise future funding and powers.

Resolved:

- (i) That the LEP Board notes how the LEP is positioned in terms of meeting the full requirements of Strengthened LEPs attached at Appendix 1 to the submitted report and that further work is needed.
- (ii) That in order to ensure that the City Region's LEP arrangements comply with Government requirements the LEP Board agrees to procure external expertise to:
 - (a) provide specialist advice to inform a remuneration for the Chair and any other appropriate positions.
 - (b) provide specialist search and selection support to help recruit future private sector LEP Board members that reflect the diversity of the City Region and enable the LEP to meet gender balance requirements.
- (iii) That delegated authority be given to the Combined Authority's Managing Director to commence recruitment in accordance with the LEP Board's Recruitment Procedure and to take such associated actions as are necessary to meet the Government's compliance requirements.

19. Local Industrial Strategy Development

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on progress to develop a Local Industrial Strategy (LIS).

Members were advised that 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. It was reported that whilst discussions around the merger continued, more immediate decisions are required on the LIS than the timescales allow. In order to allow the work to progress quickly and to simplify the decision making process, it was proposed that each LEP carries out work to develop strategies reflecting the two existing LEP geographies. Significant collaboration would continue with a view to bringing both strategies together for the new LEP geography once the merger process is complete.

Members noted the SWOT (strengths, weaknesses, opportunities and threats) analysis attached at Appendix 1 and discussed the strengths, areas of distinctiveness of the regions and opportunities across the new geography. It was considered that the ambition was set out clearly but not how this would be achieved. The region must deliver on the commitments and Members agreed that links to the skills agenda were essential with more investment needed in relevant skills to support the growth of the region.

It was proposed to establish a Steering Group comprising of members of the LEP Board, Panels, government and local authorities to oversee the development of the LIS. Councillors Jane Scullion and Peter McBride volunteered to take part in the Steering Group and Rashik Parmar confirmed that the Employment & Skills Panel would continue to consider the development of the LIS as part of their work. A further report would be provided at the next meeting of the LEP Board.

Resolved:

- (i) That the progress made be noted.
- (ii) That the LEP Board endorse that work should progress on a Local Industrial Strategy (LIS) for the existing Leeds City Region LEP until the creation of a new LEP is confirmed.

20. Economic and Brexit Monitoring

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on the latest economic and business intelligence.

The report and appendices covered the main local, national and international economic developments and included a commentary and assessment in respect of Brexit.

Resolved: That the report and appendices be noted.

21. Corporate Performance Report

The Board considered a report of the Director of Corporate Services which provided an update on a range of corporate and governance matters.

A summary of the 2018/19 revenue budget and spend to February 2019 was attached at Appendix 1 and the revenue budget for 2019/20 which was approved by the Combined Authority on 14 February 2019, was attached at Appendix 2.

In respect of corporate performance, a set of 15 headline performance indicators had been developed in order to measure the specific contribution of the Combined Authority towards the long term strategic goals. A copy of the indicators with details of the results achieved against these in the 2018/19 financial year was attached at Appendix 3.

It was reported that following consideration of the draft Leeds City Region's 2019/20 delivery plan and summary of LEP performance in 2018/19 at the last meeting, further work had been undertaken on the design of the document and a copy was attached at Appendix 4. The delivery plan will also form an integral part of the Combined Authority Corporate Plan which is to be considered at their meeting on 27 June 2019.

It was proposed that a corporate performance report be submitted to each meeting of the LEP Board to provide information on budgets, performance management, risk, audit, scrutiny and any other matters that emerge.

Resolved: That the report be noted.

22. Proposal to Recruit to the Role of Director, Economic Services

The Board considered a report of the Director of Corporate Services which informed Members that, following a review and re-evaluation of the increased breadth of activities in Economic Services, approval will be sought from the Combined Authority to amend the current Executive Head role to a Director role in the Combined Authority.

Resolved: That the proposal for the Combined Authority to revise the current role of Executive Head, Economic Services to a Director role be noted.

23. Draft minutes of the West Yorkshire Combined Authority held on 25 April 2019

Resolved: That the draft minutes of the West Yorkshire Combined Authority held on 25 April 2019 be noted.

24. Date of Next Meeting

The next meeting of the LEP Board will be held at 2pm on Thursday 18 July 2019.

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

Date: 18 July 2019

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

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

Author(s): Racheal Johnson

1. Purpose of this report

- 1.1 To provide LEP Board members with an update on the meeting of the Business Communications Group (BCG), held on 5 June 2019.

2. Information

- 2.1 The BCG meeting of 5 June consisted of two in-depth workshop sessions on the Future-Ready Skills Commission and Local Industrial Strategy respectively, plus the usual roundtable feedback from measures on current business conditions.
- 2.2 Mark Roberts, a member of the LEP's Employment and Skills Panel and the Future-Read Skills Commission, provided an update on the Commission and asked for members' feedback. The key points raised were:
- Having a clear focus for the Commission is critical, given the breadth and complexity of the current skills system and the scale of the challenge.
 - The focus on developing a blueprint for a more devolved skills system was welcomed. As yet devolution of skills to local areas has been more about local management of national programmes rather than meaningful devolution of investment and the powers to direct this towards local priorities. A particular opportunity is the unspent Apprenticeship Levy money in the region – reforms are needed to make this easier for businesses to spend, and any unspent funding should be allocated to LEPs to address local skills priorities.
 - The focus on Further Education (FE) is also welcome. A key untold story of the Auger Review is the disparity between funding for higher education versus that for vocational courses. It is often the latter that has the greatest impact for businesses.

- One of the challenges the Commission should address is how to address barriers to investing in training for small and medium-sized enterprises (SMEs)

2.3 BCG members received a presentation on the emerging evidence base that is informing work on the LEP's Local Industrial Strategy. The following key points were noted:

- The challenges in developing a distinctive narrative about the City Region economy, given how closely it mirrors the UK as a whole, was discussed. Members noted that the diversity of the City Region's economy is an important selling point. Culture and quality of life, affordability and the strength of the City Region's financial and professional services sector – making it an ideal place to set up a business in any sector – were highlighted as other points of distinction. The region's capacity for innovation and reinvention – in terms of how its businesses have evolved continuously to meet new challenges and opportunities – was also felt to be a key strength.
- The fact that the City Region is a significant economic area with significant critical economic mass is something that Government needs to recognise.
- Specific issues from the evidence base that BCG members felt merited particular attention in work on the LIS were the impact of location on productivity, the fact that Leeds City Region is a SME-dominated region (i.e. without an original equipment manufacturer [OEM]), the need to improve both skills supply and demand and graduate retention.

2.4 BCG members provided **feedback on other key issues** raised by the businesses they represent. In summary:

- The Skills Service is expanding its offer to businesses from September
- Brexit has become less of a concern for businesses now that the deadline for leaving the EU has been extended but BCG members expect that this will once again become an issue the closer the UK gets to October without a deal.
- Demand for borrowing and availability of finance remain high according to banks in the region. There is a perception among many businesses however that lending – particularly short-term lending – is difficult to obtain.
- Business crime – particularly cyber crime – is an issue that several members are focusing on currently.
- Transport issues – particularly congestion in key urban centres – were highlighted as a major drag on productivity and economic growth, with many businesses highlighting the employee hours lost to time spent in traffic.
- Skills shortages, particularly higher level skills, are still an issue in certain sectors – notably the electronics and chemicals/ cosmetics industries. There was a sense that businesses are investing in training and apprenticeships in these sectors. A shortage of lower level skills is an issue among many manufacturers – this appears to be the result of

perceptions of the sector among potential new entrants rather than the early impact of EU27 migrants returning to their countries of origin.

- According to quarter 2 data from the Institute of Chartered Accountants in England and Wales (ICAEW) confidence in the Yorkshire and Humber region is lower than national levels and 27% of members are challenged by the limited availability of non-management skills.
- In the construction sector, output is flat and there is a view that Brexit uncertainty is delaying investment decisions. There is demand for skills at all levels and in all professions – particularly joinery and internal fit-out. An example was given of a small joinery firm that is unable to grow because of the unavailability of skills.
- The immigration White Paper is causing concern among some businesses, particularly in relation to the £35,000 minimum salary threshold which is considered challenging in northern regions.

3. Financial Implications

3.1 None.

4. Legal Implications

4.1 None.

5. Staffing Implications

5.1 None.

6. External Consultees

6.1 None.

7. Recommendations

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

7.2 That members offer comments on the business challenges and issues raised by BCG members in section 2.4 and appropriate responses.

8. Background Documents

8.1 None.

9. Appendices

9.1 None

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Report to: LEP Board

Date: 18 July 2019

Subject: **Business Growth Programme**

Director(s): Henry Rigg, Interim Executive Head of Economic Services

Author(s): Lorna Holroyd

1. Purpose of this report

- 1.1 To update LEP Board on performance of the Business Growth Programme (BGP).
- 1.2 To seek approval from the LEP Board on the proposed changes to BGP guidance and criteria as set out in **Appendix 1**.

2. Information

- 2.1 Spend and outputs for the grant schemes funded through the Local Growth Fund (LGF) are detailed below. Achievements against these targets can be made through the three capital grants schemes which make up the BGP; the big scheme, the small scheme and the Business Flood Recovery Fund. The big scheme is for grants over £100,000, the small scheme is grants of between £10,000 and £100,000 and the Business Flood Recovery Fund was for grants of £10,000 to £100,000 for businesses affected by the Boxing Day Floods of 2015 (note that this programme is now closed to new applications).

Performance indicator	Target	Big scheme committed	Small scheme committed	Flood grants committed	Total commitments	Actual outputs (25/06/19)
Direct jobs	4,100	3,030	2,518	n/a	5,548	4,021
Safeguarded jobs	n/a	152	0	1,541	1,693	1,682
Number of grant awards	765	43	632	63	738	637
Total investment	£168,500,000	£161,599,164	£182,588,300	£12,793,515	£356,980,979	£277,092,696
Programme Spend	£44,316,000	£9,704,356	£21,419,872	£2,860,375	£33,984,603	£29,182,443
Cost per job	n/a	£3,203	£8,508	n/a	£6,126	£7,257
Cost per job (including safeguarded jobs)	n/a	£3,050	n/a	£1,856	£4,694	£5,117

- 2.2 To date commitments of £31.12 million have been made through a combination of the big and small schemes. Eight applications to the small scheme, with a combined grant value of £310,863, were approved under sub-delegations in May 2019.
- 2.3 Grants are funded through a combination of the Business Growth Programme and Access to Capital Grants, both of which are funded through the Local Growth Fund.
- 2.4 Commitments through the Business Flood Recovery Fund currently stand at £2.86 million. Of a total of 66 projects approved, three have been withdrawn, 58 are complete and £119,528 is left to pay to five businesses whose projects are still live.
- 2.5 All grant awards are listed in summary form on the LEP website and updated quarterly.¹

Proposed changes to programme criteria

- 2.6 With demand for the programme remaining high, the overall budget reducing and the closure date of March 2021 on the horizon, the Business Investment Panel (BIP – as the panel that considers large BGP applications) requested that a review of the criteria and guidance be undertaken to help inform their consideration of applications. Added to this, was the increasing number of more borderline applications coming before the BIP, particularly in relation to additionality and affordability, productivity and sector priorities.
- 2.7 Therefore, proposed changes to the criteria and guidance, informed by the views of the BIP, were produced and then considered by the Business, Innovation and Growth Panel (BIG - as the panel with strategic responsibility for the programme) in May 2019. As a result of the above consultation, further revisions have been made to the criteria and guidance, and these are set out at **Appendix 1** for consideration and approval by the Board.

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.

¹ <https://www.the-lep.com/about-us/transparency/grants-for-business/>

7. Recommendations

8.1 That LEP Board notes the progress report.

8.2 That LEP Board approves the proposed changes to programme guidance and criteria as outlined in **Appendix 1**, and that the changes are implemented from Quarter 3 of 2019/20 onwards.

8. Background documents

8.1 None.

9. Appendices

Appendix 1 – proposed changes to programme guidance and criteria.

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Appendix 1

Proposed changes to criteria and guidance for the Business Growth Programme – for consideration and approval by the LEP Board, 18 July 2019.

1. Background

The Business Growth Programme (BGP) provides grant support of between £10,000 and £250,000 to eligible businesses towards capital related investment (plant, equipment, machinery and premises fit out/refurbishment) that leads to job creation. The programme provides a contribution of up to 20% of cost for small businesses (less than 50 employees) and 10% for both medium sized (50 - 249 employees) and large businesses (250 employees and above).

Since April 2015, the programme has been funded through the Local Growth Fund and currently runs until March 2021, with a total budget of £44.3 million. As of June 2019, £33.98 million had been offered to over 600 businesses, with 5,548 new jobs contracted for, against a programme target of 4,100 by March 2021. Actual expenditure as of June 2019 was £29.18 million, with 4,021 new jobs created. Inclusive Growth principles and criteria have been embedded in the programme since July 2018, and these were further strengthened in March 2019 for delivery from July 2019.

2. Sector Eligibility

Current criteria and guidance – priority is given to businesses operating in the key growth sectors, and/or, their direct supply chains, of the current Strategic Economic Plan for Leeds City Region. These are:

- *Healthcare and life sciences;*
- *Digital and creative;*
- *Low carbon and environmental;*
- *Manufacturing;*
- *Financial and professional services;*
- *Business to business services.*

Applications from businesses operating outside these sectors are currently considered on a case by case basis, with business-to-business operations prioritised. As of April 2019, applications from businesses operating outside the key growth sectors represented 15.7% of all grants awarded.

The highest volume of applications received from businesses operating outside the key growth sectors are from industries associated with the manufacturing sector, such as warehousing and distribution.

There are also a number of on-line retailers that have been supported through the programme. Positive factors considered within the appraisal of such applications have been the exposure to national and international markets, significant levels of

job creation and the regeneration benefits of bringing large industrial units back into use in more disadvantaged parts of the City Region.

Applications are not accepted from high street retailers or localised business to consumer services on the grounds of potential displacement.

Feedback from Business Investment Panel (BIP) on 30 April 2019 and Business, Innovation and Growth Panel (BIG) on 28 May 2019

BIP and BIG Panel were in favour of maintaining the current sector criteria and the above approach in relation to large on-line retail/distribution facilities.

Recommendation One to LEP Board

No changes are made to the sector criteria, but this will be reviewed following the conclusion of the new Local Industrial Strategy. Until then, it is proposed that applications from on-line retailers will continue to be accepted where significant levels of new employment will be created, significant being defined as more than 50 new jobs.

3. Additionality and Affordability

Current criteria and guidance – applications must clearly demonstrate the need for public funding i.e. the impact on the investment project and on the business of securing the funding versus the impact of not securing it. The size and financial health of the applicant is also a key factor in the appraisal process i.e. their ability to finance the project without public intervention.

The most common reason for the rejection of applications to the programme is the lack of additionality/added value. All applications to the programme are appraised in line with Her Majesty's Treasury Green Book. This includes demonstrating additionality/added value, which is tested by one or more of the following:-

- The grant fills a funding gap;
- The grant accelerates an investment;
- The grant enables an investment to be made on a larger scale;
- The grant influences the location of an investment (where businesses are considering competing locations outside the City Region).

All of the above incorporate an element of financial need. During financial year 2018/19, a comparatively high number of applications were rejected due to a lack of additionality/need for support. The main reasons for this were high levels of cash reserves held by applicants and the amount of directors' remuneration and dividends taken.

It is difficult to put in place a prescriptive ceiling in terms of cash reserves, as this will differ greatly by size and sector of business, payment terms to which a business works and levels of working capital required. However, in terms of directors' remuneration and dividends, an internal guideline limits this to a maximum of

£150,000 per director/shareholder, per annum, averaged over a three-year financial period. The average over three years aims to reflect fluctuations a business may experience in trading conditions, which can have a consequential effect in terms of the levels of remuneration and dividends taken.

At present, programme guidance issued to applicants does not formally highlight the fact that levels of remuneration and dividends taken (in line with the threshold outlined above), along with levels of cash reserves, could adversely affect the outcome of an application.

Feedback from BIP on 30 April 2019 and BIG Panel on 28 May 2019

BIP recommended that the £150,000 per annum per director remuneration/dividend threshold be adopted as policy (for grants of between £10,000 and £100,000) and that programme guidance be updated to reflect this.

Recommendation Two to LEP Board

Programme guidance is formalised to reflect that the maximum amount of remuneration (salary and/or dividends) per annum per director, averaged over a three-year financial period, is £150,000 (for grants of between £10,000 and £100,000). The primary rationale for this is to provide clarity for businesses, and those working with them, of the criteria at pre-application stage, which may influence their decision to submit an application. In turn, this should lead to fewer rejections and deferrals.

4. Applications from Large Businesses

Current criteria and guidance – applications are considered from large businesses (250+ employees), but the intervention rate is capped at 10% of the overall investment, or, at 200,000 Euros if De Minimis is applied.

Related to additionality and affordability, a number of enquiries and applications to the programme were received in 2018/19 from large businesses (over 250 employees), and/or businesses owned by a larger group. Whilst applications are accepted from large businesses, grant awards are restricted to 10% of eligible capital costs, or 200,000 Euros if De Minimis is applied, in line with State Aid regulations. In a number of cases in 2018/19, the grant request was below £100,000, which made the additionality case less compelling, particularly where there was a modest return on jobs created and/or wider regeneration benefits.

Feedback from BIP on 30 April 2019 and BIG Panel on 28 May 2019

BIP and BIG Panel agreed that applications from large businesses should commence at £100,000 and that there should be a good return on new jobs created.

Recommendation Three to LEP Board

Applications from large businesses continue to be accepted, but only where minimum total project costs are £1,000,000 and proposed new job numbers are at least 20.

Additionally, grant awards are restricted to 10% of eligible costs, even where projects are funded through De Minimis.

5. Productivity Focus

Current criteria and guidance – costs related to the fit-out / refurbishment of premises are eligible for support, with an intervention rate of 10 or 20% applied depending on the size of the applicant. The minimum grant award for such projects is £10,000 and the maximum is £250,000.

The City Region's business productivity (Gross Value Added per hour worked) is 86% of the national average. Closing this gap would add £10 billion to the City Region's economy, which, at individual business level, predominantly means investing in more technologically advanced equipment, systems and processes, and not always requiring additional staff to generate higher levels of output.

Within the context of the high number of SME manufacturers in the City Region, the LEP's economic policy is increasingly focused on how to support them to become more productive and competitive, including via investment in new technology, adopting the practices of Industry 4.0 across supply chains and through ongoing workforce development, including leadership and management.

The programme continues to receive applications from businesses requesting support towards fit-out and refurbishment of new/existing premises. As with the above, the additionality case for grant investments within such projects can be more difficult to determine, particularly if the applicant owns the premises, or, has entered into a lease agreement prior to application. There is also a stronger case for productivity improvements where the applicant is investing in new equipment and technology, perhaps alongside improvements to premises, as opposed to solely fit-out / refurbishment projects. On that basis, and in the context of a reducing overall programme budget, a number of options are open, namely:

- a) Make fit-out/refurbishment of premises ineligible for support on the grounds of more limited additionality and lesser alignment with productivity drivers.
- b) Only allow fit-out/refurbishment works as an eligible cost when they form part of a wider package of investment that also incorporates purchase of new plant and machinery.
- c) Cap the maximum amount of grant funding for costs associated with fit-out/refurbishment of premises.
- d) Similar to above, but reduce the intervention rates for fit-out/refurbishment elements of investment projects e.g.5% for medium and large businesses and to 10% for small businesses.
- e) Continue as at present, with each application judged on its own merits.

Feedback from BIP on 30 April 2019 and BIG Panel on 28 May 2019

Overall BIP members felt that fit-out/refurbishment costs should remain eligible as otherwise some important business sectors, including Creative and Digital and Financial and Professional Services, could be excluded from support on the basis that large capital equipment investment is much less likely in those sectors. However, members also recognised the pressure on the programme budget and the need to secure additionality and productivity improvements. Therefore, members were minded to either continue to assess each application on its own merit, or, introduce a maximum amount or reduced intervention rate for fit-out/refurbishment projects. Members also recognised that additionality was particularly weak in situations where applicants had already entered into a commercial lease or had recently purchased the premises.

The BIG Panel members were also reluctant to fully withdraw support for fit-out/refurbishment costs on the grounds of potentially excluding support for some sectors, and because the appearance and standard of business premises are important for both staff morale and productivity, and for customer attraction/retention. However, members also recognised the additionality challenges of fit-out/refurbishment projects and expressed a preference for limiting grant support for those costs, but not an amount too low to effect any additionality, particularly if the applicant is a large business. Members were also in agreement that if leases had already been entered into, or premises had been recently purchased, the additionality case for fit-out/refurbishment costs is particularly weak.

Members requested that officers should undertake some scenario planning and analysis of recent applications to determine an appropriate route that would prioritise or incentivise capital equipment investment, but not entirely preclude fit-out/refurbishment costs. This activity has been undertaken within the Business Support Team and the outcome was that the most deliverable and business-friendly approach would be to reduce the grant intervention rate for costs related to fit-out/refurbishment as set out below.

Recommendation Four to LEP Board

Grant support for costs related to property fit-out/refurbishment remain eligible, but the maximum grant amount available to support such costs is £100,000. Furthermore, grant support for costs related to property fit-out/refurbishment are not eligible if the applicant has already entered into a commercial lease or has recently purchased premises. Costs related to fit-out/refurbishment will be considered when the applicant has occupied the premises for at least six months.

6. Multiple Applications

Current criteria and guidance – businesses are restricted to the submission of three successful applications within a three-year period, or, receipt of a maximum of £250,000 over the same period.

The above criteria was introduced in September 2017 with the primary rationale of encouraging businesses to plan more strategically in relation to longer-term capital investment, and also broaden the reach of the programme to businesses that have not yet engaged with support from the LEP or its partners.

Feedback from BIP on 30 April 2019 and BIG Panel on 28 May 2019

BIP and BIG Panel were in favour of continuing with the current policy of three successful applications within a three-year period, or, receipt of a maximum of £250,000 over the same period.

Recommendation Five to LEP Board

Retain the current policy in relation to multiple applications as set out above. Note that this applies to all applications to the Business Growth Programme, whether funded through the Business Growth Programme or Access to Capital Grants.

7. Appeals policy and process

Current guidance - businesses that have applications rejected have the right to appeal in writing within two weeks of being notified of the decision. Appeals against decisions to reject applications up to and including £25,000 are considered by the Executive Head of Economic Services, with appeals from £25,001 to £250,000 considered by the Combined Authority's Managing Director, with those of over £100,000 first being considered by the BIP.

It has been proposed that the appeals process should be revised to set out more clearly the circumstances in which an appeal can be considered, and the associated timescales. In addition, consideration needs to be given to the governance and delegation arrangements for appeals, particularly for applications of over £100,000.

Feedback from BIP on 30 April 2019 and BIG Panel on 28 May 2019

BIP and BIG Panel were supportive of revising the appeals policy and process.

Recommendation Six to LEP Board

The appeals policy and process is revised in the coming weeks and considered by the BIP and BIG Panel, before coming back to the LEP Board for consideration and endorsement. This will clearly set out the approach to grounds for appeals, timescales for appeals and governance/delegation arrangements.

8. Next Steps

It is proposed that Recommendations One to Five are implemented from Quarter 3 of 2019/20, and that work commences with immediate effect on Recommendation Six.

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

Date: 18 July 2019

Subject: **Green Economy Panel**

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

Author(s): Jacqui Warren

1. Purpose of this report

- 1.1 To give an update on the Green Economy Panel's major projects and programmes.

2 Information

- 2.1 The Green Economy Panel (GEP) met on 9 July 2019, with papers for this Board meeting finalised prior to that date. Therefore, this item is an outline of the agenda items due to be discussed at the GEP meeting. A verbal update on the outcomes of the meeting will be provided at this Board meeting.
- 2.2 The Panel discussed the following:
- Northern Gas Network's (NGN) Business Plan
(This item outlined NGN's next five year business plan).
 - Local Industrial Strategy (LIS)
(This item updated the Panel on the City Region's progress to develop the LIS. A presentation on the initial findings of the evidence base supporting the LIS's development was also given).
 - Green and Blue Infrastructure Strategy and Delivery Plan (GBISDP)
(This item provided an update on progress towards delivering the GBISDP)
 - Energy Strategy and Delivery Plan (ESDP)
(This item provided an update on progress towards delivering the ESDP – see paragraph 2.3).
 - Major Projects Update
(This item provided an update on the progress against the Panel's major projects and programmes).

Energy Strategy and Delivery Plan

2.3 A summary of the recent ESDP work being carried is outlined below:

International and national targets

- 2.4 There are increasingly urgent calls at an international, national and local level to address the impacts of climate change and to set ambitious CO₂ emission reduction targets.
- 2.5 The catalyst for these urgent calls was the 2016 Paris Agreement which set out the need to keep global temperature rise well below 2°C and to pursue efforts to keep the rise to 1.5°C.
- 2.6 The Special Report of the Intergovernmental Panel on Climate Change (IPCC) further enhanced the need to act, setting out the impacts of global warming of 1.5°C and above.
- 2.7 In light of the Paris Agreement and IPCC Special Report, and the declaration of Climate Emergencies in Local Authorities across the country, the UK Government has recently tightened its CO₂ emission reduction target enshrined in the Climate Change Act, now requiring the UK to be net-zero¹ by 2050 (as opposed to an 80 percent reduction in CO₂ emissions by 2050).

Regional target

- 2.8 The Leeds City Region Strategic Economic Plan (SEP) from 2016 sets out the ambition to 'be a resilient, zero-carbon energy economy'.
- 2.9 The Leeds City Region Energy Strategy and Delivery Plan (ESDP) adopted by the Combined Authority and Local Enterprise Partnership in December 2018 provided further details on the ambition.
- 2.10 While the reductions above would allow the City Region to be aligned with the Paris Agreement it does not take into account the most recent analysis from the IPCC. The Combined Authority is reviewing a City Region target in light of this (see below for more information).

Local targets

- 2.11 At a local level, councils across the UK have been declaring climate emergency motions² and setting local CO₂ emission reduction targets that are more ambitious than the UK-wide target.

¹ Net-zero requires deep reductions in emissions, with any remaining sources offset by removals of CO₂ from the atmosphere (e.g. by afforestation). Net emissions, after accounting for removals, must be reduced by 100%, to zero

² Climate emergency motions vary from council to council, however they all commonly recognise the magnitude of the threat posed by climate change.

- 2.12 Seven of the councils in the Leeds City Region (City Region) have declared climate emergencies. The Combined Authority on 27 June 2019 also declared a climate emergency.

Current activity

- 2.13 As part of the consultation process undertaken on the Leeds City Region Energy Strategy and Delivery Plan (ESDP) (adopted December 2018), the Leeds City Region LEP Board and Combined Authority approved further work to be undertaken to establish a science-based, Paris Agreement aligned regional carbon reduction target³.
- 2.14 The Combined Authority has therefore commissioned further work on setting a regional target and the year to achieve this by, the results of which are currently being finalised.
- 2.15 In addition, West Yorkshire Leaders requested that greater awareness raising activities be undertaken and include: The awareness raising activity will include:
- **Sector-specific low-carbon workshops:** exploring the transformational emission reduction activity across the power, buildings, industry and transport sectors.
 - **Profile raising:** particularly associated with the results of the workshop in July alongside those measures on which partners can work together across the regional level to tackle climate change.
- 2.16 A full verbal update on the recent events and new proposed city region carbon reduction target will be provided at the meeting.
- 2.17 In addition to the awareness raising activity we are running a series of programmes and projects which will help deliver the ESDP. These include:
- **Energy Accelerator:** providing project development support to low-carbon energy projects e.g. district heat networks.
 - **Corporate clean growth programme:** embedding clean growth principles including CO₂ emission reduction into everything we do as an organisation.
 - **Resource Efficiency Fund:** providing advice and support to SMEs in the City Region to reduce their energy, water and waste consumption.
 - **Zero Emission Bus Delivery Roadmap:** setting out how a sustainable bus network could be created in West Yorkshire by 2028.
 - **Leeds City Region Connectivity Strategy:** identifying key connectivity requirements that inform future investment programmes and those of our most disadvantages and excluded communities.

³ The target will need to account for the varying commitments of the councils within the City Region, while not acting as a barrier to those councils that want to be more ambitious.

- **Clean Bus Technology Fund:** retrofitting 300 buses to the latest Euro VI emission standard.
- **Ultra-Low Emission Taxi Scheme:** installation of 88 dedicated electric taxi charging points.

A full update on all of the ESDP projects being delivered will be summarised in the next GEP update to this Board.

2.18 The transport sector is currently the highest carbon dioxide emitting sector in the Leeds City Region. This trend is expected to continue over the next 20 years with the transport sector forecast to account for over a third of all carbon dioxide emissions in the Leeds City Region.

2.19 To ensure the transport sector contributes to the regional zero carbon ambition and improves local air quality the Combined Authority will establish a Zero Emission Transport Working Group. This will be made up of Green Economy Panel members and Transport Committee members. It is anticipated that this group will meet for the first time in August 2019.

3. Financial Implications

3.1 There are no implications associated with this paper.

4. Legal Implications

4.1 There are no implications associated with this paper.

5. Staffing Implications

5.1 There are no implications associated with this paper.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the Panel note the contents of this report.

8. Background Documents

8.1 None.

9. Appendices

None.

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

Date: 18 July 2019

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

Director: Melanie Corcoran

Author(s): Rachel Jones

1. Purpose of this report

- 1.1 To update the LEP Board on the independent review of the Growth Deal programme currently ongoing in 2019.

2 Information

Growth Deal Programme

Independent Evaluation of Growth Deal Interventions

- 2.1 As was reported to LEP Board previously, as part of the terms of the Growth Deal award to the Leeds City Region, an independent review of the impact of locally appraised interventions is to be undertaken at the first five year gateway (also known as the Gateway Review 2019). Leeds City Region is one of four areas subject to this evaluation in 2019 – the other areas are Glasgow, Manchester and Cambridge.
- 2.2 Economic consultants SQW Limited are leading the National Evaluation Panel responsible for the monitoring and evaluation of investment funds across the UK. SQW have been commissioned to evaluate the Transport Fund, and will be present at the LEP Board meeting to present a summary of their work.
- 2.3 The key milestones of the work are delivery of the following:
- A Baseline report – February 2019
 - A One Year Out report – March 2019
 - A Final report – November 2019 (tbc)
- 2.4 Several strands of activity fed into the completed baseline report, including survey work and strategic interviews to establish a local capacity and partnership working baseline, work to look at how the economy was expected to develop since the launch of the Transport Fund in 2014, and progress to date on the delivery of transport funded schemes. The executive summary for the Baseline report is provided as **Appendix 1**.

- 2.5 The purpose of the one year out report was to:
- provide an update on the progress in delivery of the Investment Fund around a year in advance of the Gateway Review (February 2020 tbc)
 - identify any issues that need to be addressed in advance of the final evaluation
 - confirm the approach and timing of the research for the final evaluation, which will take place between April and November 2019.
- 2.6 The One Year Out Report draws on monitoring data on expenditure, outputs and outcomes provided by the Combined Authority, consultations with 10 project managers of all 19 interventions in scope of the evaluation¹ and the Combined Authority's programme management team during December 2018 and January 2019. The executive summary for the One Year Out report is provided as **Appendix 2**.
- 2.7 The headline findings are as follows:
- Overall, good progress has been reported for many of the interventions
 - Several factors have also facilitated or accelerated the progress of projects towards their intended outputs/outcomes, including close communication with external stakeholders and contractors, strong alignment with local masterplans, local drive and leadership, dedicated management functions, and effective programme management
 - There have also been benefits associated with delivering the projects under one programme, particularly around sharing lessons, which is already enabling other projects to be delivered more effectively
 - The two main challenges faced by some promoting authorities have been land acquisition and experience/capacity constraints
 - The Combined Authority has observed a sharp increase in the number of project business cases being submitted for appraisal, meaning further acceleration in spend as the programme moves through to the Gateway Review 1
- 2.8 The overall sense of the report is that the findings point in the direction of a positive outcome in terms of the final report. Further interviews with strategic stakeholders will take place over the coming weeks to validate the findings and explore themes around progress and partnership working further. Senior representation at these meetings is advised to ensure that key messages are conveyed from decision-makers.
- 2.9 The first gateway review will be completed by Government in early 2020. Combined Authority officers continue to attend quarterly national progress meetings with officers from BEIS and MHCLG, where it is expected that greater clarity should emerge around how the final gateway report will form a part of the overall assessment of performance, together with other evidence such as the annual conversations.

¹ 19 of all 54 projects covered by the Investment Fund

- 2.10 A further seven areas, whose growth deals were awarded in 2015, are subject to evaluation in 2020. This includes Liverpool City Region, Tees Valley, Cambridge and Peterborough, Cardiff Capital Region, Sheffield City Region, West Midlands and West of England.

3. Financial Implications

- 3.1 There are no financial implications directly arising from this report. However, future growth deal funding availability may be subject to the outcome of the first gateway review in early 2020.

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 It is recommended that the LEP Board notes the progress made with the independent evaluation of the Growth Deal programme and the expected completion of the review in early 2020.

8. Background Documents

- 8.1 None.

9. Appendices

Appendix 1 Independent Evaluation of Local Growth Interventions – Baseline Report for Leeds City Region Executive Summary

Appendix 2 Independent Evaluation of Local Growth Interventions – One Year Out report for Leeds City Region Executive Summary

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Independent Evaluation of Local Growth Interventions

Baseline Report for the Leeds City Region

March 2019

Executive Summary

1. This is the Baseline Report for the evaluation of the Leeds City Region (LCR) Investment Fund, known as the West Yorkshire Plus Transport Fund (WY+TF). The evaluation partner is West Yorkshire Combined Authority (WYCA) and the work will be completed by December 2019 to inform the first Gateway Review of the Fund. The first Gateway Review will be completed by Government by the end of March 2020.
2. This Baseline Report is the first output of the evaluation work of the National Evaluation Panel (NEP), implementing the approach agreed with partners in Leeds City Region in the Locality Framework and Locality Evaluation Plan agreed in December 2017 and April 2018 respectively.

Report findings

Delivery progress

3. The key messages at the baseline stage on delivery progress are as follows:
 - Based on the financial data provided by project managers, the 19 interventions covered by the evaluation have accounted for £75m of spend nearly 100% of target, by Q1 2018/19
 - The Transport Fund (54 projects) has spent £88.0m across all of its projects
 - It is currently expected, based on the latest forecasts, that the Transport Fund will spend £200m by March 2020 (Gateway 1 Review). In 2016 project managers had estimated spend of £390m by March 2020 across all of the Transport Fund projects. However these forecasts were overly optimistic and above the level of grant actually available for the five year period. A new Delivery Directorate was created in the Combined Authority in June 2017 and more realistic forecasts were agreed with the projects. Progress is now monitored through a new portfolio management system, which was launched in September 2018
 - For future reports, it is recommended that there are two baselines to measure financial progress – the aspirational figures provided by projects in 2016, and the more realistic baseline figures from October 2018
 - There is some early evidence of outputs. Seven of the 19 projects have provided some initial information on outputs achieved since projects started in 2015. However, the locality has indicated that many of the projects will only be able to report against outputs after completion of the capital works. In addition, not all of the metrics in the logic models have been forecasted in business cases submitted to date.

Local capacity and partnership working baseline

4. Generally, the e-survey responses suggest that different aspects of local economic capacity and partnership activity have improved since the Transport Fund and Growth Deal were

approved in 2014. There remains scope for further improvement in the future. When asked about the extent to which the Fund has influenced changes in local economic development capacity, 22 out of 25 respondents (nearly 90%) thought it had been either moderately or extremely influential.

5. In terms of the Fund itself, over 90%, or 23 survey respondents, stated that the Fund has had a positive or very positive effect both on the local confidence to develop and deliver economic growth interventions, and on strategic-level decision making and planning. These scores were closely followed by the effect on local commitment to develop and deliver economic growth interventions (cited by 22 respondents), overall local economic development capacity and partnership working, and operational decision-making (each stated by 21 respondents).
6. The consultations with key regional stakeholders demonstrated that the Transport Fund has played a central role in creating the new Combined Authority, shaping long-term economic development strategy and bringing together public and private sector partners from across the city region. With so much happening in the region over the last four years, it is difficult to isolate the specific effects of the Fund. However, the feedback confirmed that the Transport Fund has helped to improve local economic development capacity and partnership working.
7. Based on detailed consultations with key regional stakeholders, the key messages at the baseline stage on local capacity and partnership-working are as follows:
 - The Transport Fund has been deployed to address decades of underinvestment in the transport network across the Leeds City Region
 - Although most projects now within the Fund had already been identified as priorities, they were regarded as long-term aspirational projects and no viable funding packages were available prior to the Transport Fund. It is claimed by consultees that most, if not all, Transport Fund projects would not have been able to proceed in the short to medium term
 - New economic development structures have been set up to oversee the Growth Deal and Transport Fund. The Fund played a key role in the setting-up of the Combined Authority in 2014, and this has led to more frequent, formal and senior-level engagement across the councils
 - Working as a city region has provided the councils (particularly the smaller councils) with greater authority and influence to deal with other public and private partners than would have otherwise been the case
 - Increased engagement across city region partners has helped communicate, promote and deliver the Strategic Economic Plan and emerging Local Industrial Strategy
 - The Fund is the largest regional funding programme and therefore playing a key role in delivering the SEP
 - The availability of the Transport Fund monies has raised the profile of economic development and regeneration in the councils
 - There is closer partnership-working, which is helping to break down silos across councils and with regional partners in public and private sectors. Each of the councils

is now better recognised for its specific role(s) in the wider City Region economic development agendas

- This improved partnership-working is leading to greater consensus and support for wider developments in the city region.

Contextual economic forecasting

8. The key messages at the baseline stage on contextual economic forecasting are as follows:

- The purpose of the contextual economic forecasting is to provide the context for how the economy in the LCR was expected to develop at the time the Transport Fund was approved in 2014. This will then be compared to actual outturns at the point of the first Gateway Review, to contextualise the findings from the impact and wider evaluation work.
- Historically, GVA growth in the city region has been in line with Yorkshire and the Humber, and the UK. However, the city region's performance is expected to lag slightly behind UK growth, but improve relative to the Yorkshire and the Humber performance
 - The LCR's GVA output is forecast to grow from £55.1bn in 2012 up to £63.9bn by 2019, and then up to £73.0bn by 2025
 - Information & communications and Financial & business services experienced strong growth in the past, and these sectors are expected to continue to drive overall growth in the future

Next steps and reporting schedule

9. The remaining reporting milestones are as follows:

- a draft Locality One-Year Out report in January 2019, and a final Locality One-Year Out report in February 2019
- a draft Locality Final Report in October 2019, and a final Locality Final Report in December 2019.

Independent Evaluation of Local Growth Interventions

One Year Out Report for the Leeds City
Region – Executive Summary

21st March 2019

Contents

Executive Summary	1
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Contact: Rebecca Pates Tel: 0161 475 2112 email: rpates@sqw.co.uk

Approved by: Richard Hindle Date: 21/03/2019
Director

Executive Summary

1. This is the One Year Out Report for the evaluation of the Leeds City Region (LCR) Investment Fund, known as the West Yorkshire Plus Transport Fund (WY+TF). The purpose of this report is to:
 - provide an update on the progress in delivery of the LCR Investment Fund around a year in advance of the Gateway Review (March 2020)
 - identify any issues that need to be addressed in advance of the final evaluation
 - confirm the approach and timing of the research for the final evaluation, which will take place between April and December 2019.
2. The One Year Out Report draws on monitoring data on expenditure, outputs and outcomes provided by the Combined Authority, consultations with 10 project managers of all 19 interventions in scope of the evaluation¹ and the Combined Authority's programme management team during December 2018 and January 2019.

Delivery progress

3. The Local Growth Interventions (LGI) evaluation covers 19 interventions supported by the LCR Investment Fund. Of these interventions at this One Year Out Report stage:
 - Five have been completed - three Rail Parking Packages (South Elmsall; Mirfield A; and Fitzwilliam Country Park), the Aire Valley Park and Ride, and the Wakefield Eastern Relief Road (WERR)
 - 10 projects are recorded as currently in progress in the monitoring data (although there is considerable variation in progress made within this category. For example, Hebden Rail Parking Package has involved preparatory work and is now expected to start construction in Spring 2019, whereas the construction of Wakefield City Centre Package Phase 1 Kirkgate, and the A629 Phase 1a, are now complete)
 - Four Rail Parking Packages are due to begin delivery shortly (Mytholmroyd), in summer 2019 (Steeton & Silsden), and in late in 2019 (Normanton, Shipley)
4. By the end of September 2018, the 19 interventions within scope spent a total of £83.55m, which was slightly above expectations by that stage. Over the last six months in particular, the volume of work undertaken – and therefore expenditure - has increased notably. The data covering expenditure for all 54 interventions in the Investment Fund shows a total spend of £97.2m by the end of Q2 in 2018/19. By Gateway Review 1, the Investment Fund is projected to spend £197.6m across all 54 interventions, out of a total fund of £943.9m.
5. Data on outputs is available for seven of the 19 projects, which includes:
 - The City Centre Kirkgate package and Wakefield Eastern Relief Road projects, which have led to 1.2km of enhanced road and eight junction improvements at Kirkgate, and

¹ 19 of all 54 projects covered by the Investment Fund

16.5km of new pedestrian/cycle routes and 5.5km of new road developed via the Wakefield Eastern Relief Road.

- Rail parking packages for South Elmsall, Fitzwilliam Country Park and Mirfield have been completed; the physical outputs are 177 new rail parking spaces in total.
 - The Aire Valley Park & Ride, which has created 1000 park and ride spaces
 - The A629 Jubilee Road to Free School Lane, which has created 2.5km of pedestrian/cycle routes/road enhancements and 2.5 construction years of employment.
6. However, in many cases, outputs are tied to the completion of construction activities, so will not report until delivery is complete.

Project level progress, implementation issues and enabling factors

7. Overall, good progress has been reported for many of the interventions. Where construction has already commenced, most projects have progressed as planned with few issues and minor slippage on start dates (e.g. Leeds Aire Valley Park and Ride, Rail Parking Packages in South Elmsall and Fitzwilliam Country Park, Wakefield City Centre Package Phase 1 at Kirkgate and Wakefield Eastern Relief Road). Other projects have encountered delays during the feasibility and preparatory stage, but many are now starting to build momentum (e.g. Harrogate Road New Line and A650 Hard Ings Road, and Hebden Bridge and Mytholmroyd Rail Parking Packages). Extended feasibility issues for some of the rail parking packages mean these are now expected to commence construction in mid/late 2019 (e.g. Normanton, Shipley, Steeton and Sildsen Rail Parking Packages). In the case of the York Northern Outer Ring Road, delivery timescales will be revised when the decision is made on whether the project becomes part of a larger scheme currently being considered by DfT for dualling/grade separated junctions. The Investment Fund contribution would then be made alongside other national funding, with the potential for a part share of larger outputs, and some economies in delivery. This will not be confirmed until the end of March 2019.
8. The two substantive challenges faced by a number of projects to date have been (i) land acquisition issues, and (ii) experience and capacity constraints in some parts of the city region. In terms of land acquisition, a considerable amount of time and resource has been invested in public engagement and consultation, addressing objections, preparing for potential public inquiries and complex legal and financial issues associated with relocating occupiers across a number of projects. This has caused considerable delays, but lessons learned from these experiences have informed subsequent projects. With regard to capacity, some areas have found it more difficult than expected to deliver multiple, large-scale capital projects, and some have lacked the in-house capacity required to progress projects as planned. That said, some parts of the city region were proactive in scaling-up project management/delivery capacity at the start of the programme, and in engaging external advice/support when required. Other delivery issues have included minor construction challenges, unexpected site conditions and land contamination, securing the timely co-operation of Network Rail and contractors going into liquidation.

9. Several factors have also facilitated or accelerated the progress of projects towards their intended outputs/outcomes, including close communication with external stakeholders and contractors, strong alignment with local masterplans and visions, local drive and leadership, dedicated management functions with sufficient capacity and skills sets, and effective programme management, sequencing and phasing (including the phasing of projects in order to accelerate delivery and spend). External drivers have also played a role in two projects, providing fixed deadlines for completion.
10. There have also been benefits associated with delivering the projects under one programme, particularly around sharing lessons, which is already enabling other projects to be delivered more effectively.
11. Looking forward, the Combined Authority has observed a substantial increase in the number of business cases coming forward in the last 18 months which should mean that expenditure and activity will ramp up as the programme moves towards Gateway Review 1. Overall this is positive, but there is some concern regarding the scale of activity that could take place in a short timeframe and whether there is sufficient capacity in the market place to deliver, across the Leeds City Region. The Combined Authority is playing a coordinating role (for example, in making links and flagging issues) and is encouraging sponsors to consider the sequencing and phasing of schemes where possible.
12. The Combined Authority now has an up and running Portfolio Information Management System (PIMS) which holds and reports information on the latest position. Claims are made directly through the system, and this has helped to provide consistent view of spend reporting and forecasting, approvals, decision points and key milestones.

Planning for the final evaluation

13. The final evaluation will inform the first Gateway Review of the fund, which will be completed by Government by the end of March 2020.
14. The final evaluation will involve the following workstreams:
 - Impact evaluation for Aire Valley Park and Ride, South Elmsall, Fitzwilliam and Hebden Bridge² Rail Parking Packages, and Wakefield's Eastern Relief Road and City Centre Package Phase 1 at Kirkgate. This will involve pre- and post-assessment of changes in transport behaviour, case-based research drawing on primary research with stakeholders, developers, users and local businesses to assess the wider economic benefits, and an analysis of secondary datasets.
 - Progress evaluation for the other projects within scope, which will involve an analysis of monitoring data and consultations with the project managers and Combined Authority.
 - Complementary workstreams, which include second waves of the online survey of partners and in-depth strategic consultations, two more detailed case studies, and a

² Normanton may also be included, depending on progress made this year.

review of actual economic returns to provide a contextual backdrop to the findings from the work above.

15. The final evaluation will start in April 2019, with the majority of fieldwork being undertaken over the Spring/Summer and reporting in the Autumn. A final report is required by December 2019.

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

Date: 18 July 2019

Subject: **Local Industrial Strategy Development**

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

Author(s): Emma Longbottom

1. Purpose of this report

- 1.1 To update the LEP Board on progress to develop a Local Industrial Strategy (LIS) and provide a presentation of the headline findings from the economic assessment.

2. Information

- 2.1 As previously reported, a LIS is being developed for the LEP area which will focus on bold steps aimed at boosting productivity and driving inclusive and clean growth for a post-2030 economy. This will be completed by December 2019, to be signed off by Government in March 2020.
- 2.2 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 LIS is reflective of all parts of the region, maximizing the potential of key strategic assets and reflecting the diversity of place.
- 2.3 In addition, Government has set out four Grand Challenges – Clean Growth, Artificial Intelligence and Data, Future of Mobility and Ageing Society. LISs will demonstrate how and where areas can contribute to one or more of these global challenges by identifying nationally significant strengths, assets and opportunities.
- 2.4 The LIS is being co-produced with Government. Its ultimate endorsement by Government will mean it is a local expression of Government policy, making it a particularly powerful and influential strategy which will have an impact on future decisions about the region, for instance with regard to funding.
- 2.5 The [Greater Manchester](#) LIS was published in June 2019. As a trailblazer they have worked with government closely over the past year to develop their LIS. The published document offers 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 are meeting with government in June to further understand the process and any lessons learnt.

Process

- 2.6 Government guidance is clear on the need for LISs 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.
- 2.7 A broad range of stakeholders responded to an initial call for evidence to inform the development of the LIS evidence base. This has included information regarding inclusive growth, construction skills, innovation and utilization of work place skills. A second, more focused [call for evidence](#) was launched in June to ask more specific questions and delve into the foundations of productivity.
- 2.8 Additional work is being undertaken where there is a gap in the existing knowledge base and a more intensive examination of the issues is required to 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 LIS and working towards a set of indicators in the context.
 - *Clean growth audit* - identify the current clean growth sectors and develop new areas of opportunity.
- 2.9 The initial economic analysis and associated commissions are largely complete, although further detailed work may follow. The final data report will be produced in summer 2019. Headline findings will be provided verbally at the meeting.
- 2.10 Board members are asked to provide feedback and give suggestions as to what the priority areas for action should be in order to build on the positives and address the negatives shown in the evidence.
- 2.11 An independent panel has been established to provide expert challenge and advice, and critical review of the evidence base and subsequent policy

priorities. The panel met on 1 May and provided feedback regarding the process to develop the LIS. A further meeting is planned for July to consider the framework to shape the priorities for the LIS and associated outcomes, along with the implications for policy development.

- 2.12 In addition, consultation and engagement will take place with LEP Board 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. Local engagement events will ensure that priorities set for the LIS reflect the diverse geography covered by Leeds City Region, reflecting where there is alignment with local strategies on the challenges and opportunities the region faces.
- 2.13 Events that have taken place to date include a presentation and roundtable discussion with the Business Services Association (BSA) members, discussion with Bradford District Economic Partnership and a workshop on the Grand Challenges with LCR universities. Feedback includes the need to ensure that the LIS reflects the diversity of the City Region's economy, people and cultural offer.
- 2.14 To reflect the scale and long-term ambition of the LIS, we will also engage with young people on their views and input into shaping our proposals.
- 2.15 The process to develop the LIS will be iterative and will therefore evolve. Engagement and co-production with Government will be undertaken throughout the development process to ensure that the LIS 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
 - Workshop with CLGU and BEIS in June
 - Innovation workshop with BEIS, CLGU, Innovate UK, Institute for Manufacturing and northern LEPs in June
 - Individual sessions with relevant departments will be arranged in September once draft priorities have been agreed.

Key Milestones

- 2.16 Key milestones for the development of the LIS throughout 2019 are:
- Initial call for evidence completed May
 - Initial economic evidence report complete June
 - Stakeholder engagement June/July
 - Second call for evidence June/July

- Final economic evidence report complete August
- Draft policy proposals August
- Consultation and engagement on draft proposals September
- LIS drafted and tested October/November
- LIS finalised and submitted to Government December
- LIS 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 LIS 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 LEP Board notes the progress made.
- 7.2 Members provide feedback on some of the areas of distinctiveness, assets and opportunities for the LIS, particularly relating to productivity growth, as suggested at 2.10.

8. Background Documents

- 8.1 None

9. Appendices

- 9.1 None

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

Date: 18 July 2019

Subject: **Inclusive Growth – Update on activities**

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

Author(s): Britta Berger-Voigt, James Flanagan and Ian Smyth

1. Purpose of this report

- 1.1 To summarise the Inclusive Growth and Public Policy Panel’s emerging work programme; note the progress being made on establishing a strategic framework, developing the link to wider City Region priorities and identifying funding; and to agree the approach and to delegate final programme decisions to the Panel and LEP Chairs.

2. Information

- 2.1 Subject to further Panel consideration the following work programme is being progressed:

Understanding approaches to inclusive growth across the City Region

- 2.2 With all partner districts developing their approach to inclusive growth – putting inclusion at the heart of their economic strategies and/or developing focussed strategies – the LEP is well-placed to understand how these approaches work together, highlight strengths and best practices that could be adopted more widely, and identify areas where additional focus is required. The following activities are progressing:

- Surveying, mapping and summarising the various approaches and initiatives relating to inclusive growth underway in partner districts across the City Region.
- Building on the Panel’s visit to Huddersfield New College to learn about their exemplar approach to equality and diversity, further visits and presentations are being arranged across the City Region to enable learning from best practice, particularly with regards to good work, digital inclusion and health. This will lead to the publication of a series of best practice papers with the aim of prompting best practice to be adopted more widely.

- Opportunities for the Panel to learn from and disseminate best practice from beyond the City Region is also a focus. Recently, the LEP hosted the Deputy Mayor of London Rajesh Agarwal, which has created a valuable link with the Capital.

Developing the City Region's Strategic Approach

- 2.3 To provide a strategic and long-term framework for inclusive growth activities in the region, an Inclusive Growth Strategic Framework is being co-designed with partners. The Framework will aim to encourage a wide range of public sector, private and third sector partners to work together to reach agreed goals which will increase opportunities for those residents and communities currently not benefitting from economic growth.
- 2.4 At the Panel's request, a support group comprising senior officers from districts, private and third sector partners across the City Region has been established to ensure a partnership approach to embedding inclusive growth and developing the Framework. This group will provide in-depth and local understanding of the main barriers to inclusion and what practical approaches have proven to work in overcoming these. The first meeting of the Group took place in late May 2019.
- 2.5 Through collaboration and consultation with the support group and a wide range of internal and external stakeholders, we will ensure that the finalised framework fully aligns with all other partner and regional strategies, and reflects the LEP and Combined Authority's ambition for an inclusive approach to economic growth across the City Region.
- 2.6 Inclusive growth aspirations are also being embedded across wider LEP and Combined Authority activities, most notably to date within the criteria for business support grants. These aspirations will also be at the core of the City Region's Local Industrial Strategy, which will focus on bold steps to boost productivity whilst ensuring that the resulting economic growth is both inclusive and clean. This embedding of inclusive growth ensures a focus on grasping all opportunities to secure investments in the regional economy that can enable all our communities to contribute to and benefit from economic growth.
- 2.7 An example of such an opportunity is the Combined Authority's recent ambitious bids to the Transforming Cities Fund (TCF), which are focused on transforming transport connections for communities most in need of access to jobs, services and education. The bids include investments along a series of Inclusive Growth Corridors, and identifies the communities around these Corridors who could benefit from improved connectivity and mobility. The outcomes sought for these communities include:
- Improved access to employment opportunities from deprived communities currently with poor public transport connections.
 - More students within easier reach of college places.

- Reduced cost of travel by supporting walking and cycling interventions, and through the innovative use of technology in relation to transport services and digital payments.
- Improved public transport in areas with low levels of car ownership, enabling more residents to access opportunities further afield through sustainable travel
- Improved health outcomes

2.8 We will seek to maximise the economic opportunities presented by these investments in connectivity and mobility through a series of targeted interventions and community initiatives to tackle inclusion and equality issues, including

- Identifying the specific support needs of communities around the Corridors (e.g. skills, employment support, etc.);
- Piloting the respective approaches in a small number of areas;
- Rolling out successful approaches across the City Region more widely.

Developing a pipeline of projects and interventions

2.9 Through working with the Panel and wider stakeholders, a pipeline of potential projects and interventions is being developed, aimed at both embedding inclusive growth across the City Region and to maximise the impact of investment in Inclusive Growth Corridors. Ideas under development include

- A Good Work Standard to promote a City Region-wide standard of best employment practices to help address issues around pay, progression, equality and diversity, health and wellbeing, professional development and employment opportunities. Employer commitment to the standard could become a key condition of receiving LEP grant support.
- Research and mapping of digital inclusion needs and current provision across the City Region, informing targeted and practical interventions that complements existing delivery and, where relevant, focussed on Inclusive Growth Corridors.
- Facilitating grant or other funding to support a range of community organisations to deliver employability programmes that help e.g. long term youth unemployed, BAME communities and people with disabilities. Support could be focussed on Inclusive Growth Corridors where relevant.
- With advice from the Yorkshire Sports Foundation, exploring practical, low-cost options for employers to encourage staff members to become more physically active. This complements research currently being undertaken by Public Health England to identify the main health inequality challenges across the City Region.
- Addressing fuel poverty, creating for example potential for training unemployed young people to advise families on basic measures to reduce energy bills, which would link strongly with both the City Region's skills and clean growth priorities.

- 2.10 It is proposed that, in order to progress the above work programme and take advantage of funding opportunities as they arise, any relevant approvals be delegated to the Panel and LEP Board Chairs in conjunction with the Managing Director of the Combined Authority.

3. Financial Implications

- 3.1 There are no immediate financial implications from this paper. Budget previously identified can be used to support the pipeline of projects detailed at paragraph 2.9 under the principles agreed by the LEP Board (see paper on *Growing Places Fund Reinvestment* on 20 September 2018) alongside funds identified from the Business Rates Pool, subject to the delegated approvals proposed at paragraph 2.10.
- 3.2 Other external funding opportunities, such as the European Social Fund, will also be leveraged wherever possible. The LEP will continue to work with partners, both through the support group (see paragraph 2.4) and more widely, to ensure proposals and approaches are coordinated and complementary to maximise the funds available to the City Region.

4. Legal Implications

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

5. Staffing Implications

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

6. External Consultees

- 6.1 There is currently no requirement for external consultations to be undertaken.

7. Recommendations

- 7.1. To note the Inclusive Growth and Public Policy Panel's emerging work programme.
- 7.2. To note the progress being made on developing the LEP's strategic approach, including establishing a strategic framework and embedding inclusive growth in wider strategies.
- 7.3. To support the approach of prioritising interventions with the strongest links to wider City Region strategies, in particular Inclusive Growth Corridors.
- 7.4. To agree to delegate final programme decisions to the Panel and LEP Chairs in conjunction with WYCA Managing Director.

8. Background Documents

- 8.1 None.

9. Appendices

9.1 None

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

Date: 18 July 2018

Subject: **Strengthened Local Enterprise Partnerships**

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

Author(s): Katie McLean

1. Purpose of this report

- 1.1 To update the LEP Board on progress to ensure the City Region's future local enterprise partnership (LEP) arrangements comply with the Government's requirements for strengthened LEPs.

2. Information

- 2.1 At its meeting on 6 June 2019, the LEP Board was updated on progress of the Government's review of LEPs (*Strengthened Local Enterprise Partnerships*) which requires all LEPs to remove overlaps. Through the Transition Subgroup, the LEP Board continues to work collaboratively with partners in the York, North Yorkshire and East Riding (YNYER) LEP to establish a new local enterprise partnership covering all of West Yorkshire, North Yorkshire and York from April 2020.
- 2.2 In-principle agreement has been reached on many matters, with outstanding issues subject to further discussion. Without prejudicing the outcome of those discussions, the LEP Board has acted to ensure future governance arrangements of the LEP in the City Region are compliant with Government's requirements. By spring 2020, at least two-thirds of members should come from the private sector, at least a third of members should be women, and the Board should otherwise reflect the diversity of the City Region.
- 2.3 On 6 June 2019 the LEP Board agreed to:
- Procure search and selection recruitment services to help recruit representatives of the private sector that reflect the diversity of the City Region and allow the City Region's LEP to meet gender balance requirements;
 - Procure external expertise to inform a remuneration policy for the Chair and any other appropriate positions.

- 2.4 Work is now underway to progress the search and selection work, and it is anticipated that the work would be completed in the autumn. Both Boards will be updated as work progresses to completion.
- 2.5 The Transition Subgroup has discussed in February 2019 how Government's position on the size and composition of LEP Boards results in challenges, given the size and diversity of local authorities across West Yorkshire, North Yorkshire and York. As a result the Subgroup agreed, on behalf of both LEPs, to submit a proposal for Board of the new LEP to comprise 27 permanent members, satisfying the equalities and diversity criteria and comprising two-thirds private sector representatives. It also emphasised that the new LEP should effectively receive two-times capacity funding, so there is no disbenefit from the two LEPs coming together. A copy of this letter is attached as Appendix 1.
- 2.6 The LEPs have now received Government's answer, after formal consideration by the Minister and Permanent Secretary in accordance with the process for exemption requests from the National/Local Growth Assurance Framework.
- 2.7 Government have said that a new Board can be established by April 2020 with a maximum of 27 members, with a Board of no more than 20 members to be in place by April 2022.
- 2.8 With regards to funding, the existing LEPs will be funded separately for 2019/20, including the additional funding that all LEPs receive to support the development of Local Industrial Strategies. No assurances have been given for funding beyond 2019-20.

3. Financial Implications

- 3.1 The costs of acting to procure external expertise will be met from the monies Government has allocated to LEPs to manage the implementation of its requirements for strengthened LEPs.
- 3.2 In future years, there is no guarantee that the new LEP will receive the same capacity funding as two separate LEPs.

4. Legal Implications

- 4.1 The report covers the proactive steps that are required in order for the LEP, or whatever future LEP arrangements are in place in the City Region, to be in a position to comply with Government's requirements in spring 2020.

5. Staffing Implications

- 5.1 There are no direct staffing implications, and capacity is available to manage the recruitment process for LEP Board members.

6. External Consultees

6.1 There are no external consultees.

7. Recommendations

7.1 That the Board notes that work is underway to procure external expertise to provide specialist search and selection support to help recruit future private sector LEP Board members that reflect the diversity of the City Region and enable the LEP to meet gender balance requirements, and specialist advice to inform a remuneration policy for the Chair and any other appropriate positions;

7.2 That the Board notes the Government's response to the proposals raised jointly by the Transition Subgroup about LEP Board membership and future capacity funding.

8. Background Documents

None

9. Appendices

Appendix 1 - Letter to officials on LEP Board composition and funding

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Andrew Battarbee
Area Director, Yorkshire and Humber
Cities and Local Growth Unit
By email

26 February 2019

Dear Andrew

As you are aware, the Leeds City Region and York, North Yorkshire and East Riding LEPs have each responded positively to meeting the requirements of Government's review of LEPs by agreeing to work together to establish a new LEP covering all of West and North Yorkshire.

Both LEPs are working together closely through a joint Transition Subgroup drawn from the respective LEP Boards to put in place arrangements for the new LEP. Launching formally in April 2020, the new LEP will set a bold Local Industrial Strategy that boosts productivity and inclusive growth across its diverse economies and places.

To continue the progress made so far, we wish to notify you of positions agreed by the Transition Subgroup. While these matters require some flexibility on the Government's part, the Transition Subgroup is clear they represent the best basis for a successful LEP, suited to the unique position of the new LEP - covering 8% of England and with different political governance structures, including partial coverage by a Combined Authority.

- a) In order to ensure strong private sector leadership, whilst simultaneously providing for public sector representation which reflects the interests of the whole geography, the new LEP Board will have a membership of 27¹. This will meet the requirements for two thirds private sector and one third public sector, and 50:50 gender balance. It will ensure that (i) all places have direct local political representation (ii) the diverse nature of local government is represented, including two non-metropolitan district authorities.
- b) The new LEP will have a single accountable body for all new activity from April 2020. In line with the National Assurance Framework², for pre-existing programmes the current accountable bodies will continue in those roles throughout the duration of the funding period and realisation of associated outputs.

¹ 18 private sector members (including Chair and Vice-Chair), and representatives of six unitary authorities, North Yorkshire County Council and two non-metropolitan district authorities. This conforms with the required two-thirds to one-third private / public sector ratio.

² p.35 confirms "pre-existing programmes such as Enterprise Zones can continue with multiple Accountable Bodies for the duration of their funding period"

- c) As discussed with the area lead, the draft Local Industrial Strategy will be submitted to Government for comments in December 2019, slightly later than what we understand to be Government's desired date.
- d) The LEPs will produce an implementation plan based on the position reached by both LEP Boards.

We have previously raised the issue of future resourcing, where you helpfully outlined that Government's objective is to reward rather than penalise LEPs who seek to merge. The Transition Subgroup and both LEP Boards are now at a stage where they require clear commitments that:

- While it may not be possible to set out future core funding models at this stage, it is vital that current LEPs have assurance that the new LEP will continue to receive at least the aggregate amount of core funding currently received by both LEPs – thereby being no worse-off than if they hadn't come together.
- Similarly, there are significant transitional costs associated with the successful creation of a new LEP, initiated by Government's review of LEPs. Therefore, the LEPs require assurance that, subject to agreement, they can access necessary transitional funding from Government to meet the costs resulting from delivering a new LEP - covering, for example, rebranding and legal transitional processes.
- The £200,000 per LEP for implementation of the LEP review (18/19) can be used throughout the implementation process to 2020. We understand this is in-line with the requirements in the capacity pro-forma that LEPs set out the key elements of their additional budgetary requirements by March 2019.

We thank you for your continued cooperation and assistance as we work intensively and proactively to deliver a new LEP that will drive productivity and bring significant benefits to diverse businesses and communities we serve. If you have any questions regarding these points reached by the Transition Subgroup thus far, we'd be happy to discuss further with you or broker a direct discussion with the Subgroup, which next meets on 5 March. Thereafter, we expect that the two LEP Boards will endorse the progress made in late March, with final decisions about the merger to follow later in the Spring.

Yours sincerely,



Ben Still
Managing Director
Leeds City Region Enterprise
Partnership



James Farrar
Chief Operating Officer
York, North Yorkshire and East Riding
Local Enterprise Partnership

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

Date: 18 July 2019

Subject: **Culture and Citizen Experience**

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

Author(s): Karen Durham

1. Purpose of this report

- 1.1 To inform LEP Board Members about the ongoing activity of City Region partners who are working together to unlock the full potential of culture, sport and major events to deliver the City Region's vision.

This update covers:

- The approach of the City Region's advisor on culture and citizen experience and emerging areas of collective focus;
- Proposals for the future direction of activity on culture, heritage and major events, including the role of the Place Panel;
- Brief updates on associated regional and national topics.

2. Information

- 2.1 The LEP Board and Combined Authority's decision to broaden the City Region's policy range has resulted in a new theme of citizen experience and quality of life. This recognises the role of culture, sport and major events in achieving the strategic vision and addressing the priorities of boosting productivity and enabling inclusive growth.
- 2.2 The LEP Board (22 November 2018) noted a range of activity by partners and the need for a significant project to identify a shared vision and aims, linked to a strategic approach to funding and investment.

Secondment of a City Region advisor on culture and citizen experience

- 2.3 Partners recognised that additional capacity and specialist knowledge, experience and relationships were needed to drive this work to the next level. To this end, ten partners¹ are supporting a 12 month, part-time role to provide

¹ Bradford Council, Calderdale Council, Kirklees Council, Leeds City Council, Wakefield Council, City of York Council, Arts Council England, National Lottery Heritage Fund, Yorkshire Sport Foundation and the West Yorkshire Combined Authority/Leeds City Region Enterprise Partnership

dedicated capacity to develop the City Region's approach to culture, sport and major events. The anticipated outcomes of the role are to:

- Understand the place-based priorities for culture, sport and major events by working closely with the local authorities and sector partners.
- Create a high-level vision for culture, sport and major events; integrating this as a key consideration in the development of all aspects of the City Region strategic policy framework.
- Develop the funding frameworks for the City Region and partners, to generate place-based funding models which facilitate and maximise investment in the identified priorities.

2.4 This is a unique approach amongst LEPs and Combined Authorities, based on strong partnerships across the City Region including with strategic funders of cultural, heritage and sporting activity and delivery agencies including Arts Council England, National Lottery Heritage Fund and Yorkshire Sport who recognise the importance of aligning regional priorities.

2.5 The opportunity was advertised as a secondment opportunity for an employee of one of the ten partner organisations. An appointee was selected following the recruitment process, who took up the post in April. The post holder is seconded from Arts Council England for three days per week for one year and has experience in developing cultural strategies, and extensive knowledge of the region and working with local authorities. She was recently was seconded to the Department for Digital, Culture, Media and Sport (DCMS) to lead on work developing the UK City of Culture programme and other place-based DCMS initiatives including the Cultural Development Fund.

2.6 The first phase of work is to engage in detail with local authority and other cultural leaders (universities, social enterprises, strategic funders, etc.) to gain an overview of the latest cultural priorities and ambition. This is identifying both individual local ambitions/priorities and identifying broader areas of regional alignment. This will shape the common narrative around the role of culture in regional place making agendas, which is being enhanced by additional research on existing and emerging regional / national cultural policies with alignment to national activity, including the intersection of culture and regeneration, inclusive growth and well-being.

Emerging dimensions of a Cultural Vision / Framework

2.7 The emerging findings from engagement to date show the variety of ways culture, heritage, sport and major events can have an impact on inclusive growth in the City Region. Learning from the LEP's use of a framework approach for similar topics (e.g. the Digital Framework), there is potential to establish a new multidimensional cultural framework. From the initial research, emerging common themes could include:

Dimension	Relevance to quality of life and inclusive growth in the City Region
a) Placemaking	<p>This means embedding culture across all aspects of place-making so strategic decisions (planning, housing investment, transport investment) are taken with a view to creating a place that is attractive to live, work and visit.</p> <p>An example might be how culture can help redefine the purpose and composition of traditional town centres, particularly as Government that includes the regeneration / vibrancy of town centres will also assist with securing any future place based national funding for example the Stronger Towns Fund.</p>
b) Place-branding and tourism	<p>Culture helps to promote an area as distinctive and attractive for locals and visitors. This can cultivate civic pride, increase footfall and reach new audiences. Both can, in turn, improve retail spend. Putting culture at the heart of the regional brand, tourism and destination management plans will help deliver this.</p>
c) Creative business and workspace development	<p>The cultural offer helps build the business environment. Culture is a 'pull' factor for business location decisions, and areas with a culture, sport and heritage offer are more likely to see growth in creative industries.</p> <p>The conversion of underused spaces into cultural venues or affordable spaces for creative businesses can also rejuvenate areas, create footfall and attract business investment.</p>
d) Skills and talent development	<p>The Cultural and Creative Industries are regarded as one of the mainsprings of the British economy and are regionally significant. To develop and sustain their success we need to support the cultural and creative skills and talents that feed them. This may be through formal education but also through arts/ cultural skills acquisition, participation in arts and cultural events and opportunities for enhanced appreciation.</p>
e) Active and engaged communities	<p>Community-led cultural activity can help promote a sense of cultural belonging, which helps to inspire people, build a collective identity and raise aspirations.</p> <p>Culture can help build stronger communities through people actively participating together and by involving local people as co creators ambassadors, volunteers and campaigners.</p>
f) Wellbeing and health	<p>Experiencing arts and culture and actively taking part can transform the quality of life for individuals and communities.</p> <p>Arts and culture can help meet major challenges facing health and engagement with arts and culture can improve the overall effectiveness of the health and social care systems.</p>

g) World class cultural programmes	<p>One-off or ongoing annual events, including major cultural and sporting events particularly where they are developed as part of a wider cultural plan can significantly enhance an area through increased visitor spend and in bringing communities together through shared identity.</p> <p>Ongoing cultural programming, for example pop-up performances in empty shops, also increases the vibrancy of a place and attracts residents and visitors.</p>
h) Heritage	<p>Heritage plays a unique and valuable role in place shaping - Historic England have developed a comprehensive Places Strategy which sets out how to help communities to transform the places they love, using the historic environment to deliver public value and demonstrating the catalytic effect it can have.</p>

2.8 Complementing this framework will be a cultural vision that describes the City Region’s existing cultural strengths, future opportunities and sets clear priorities and delivery mechanisms. Some of these will be taken from themes in existing cultural strategies where there is synergy, as well as factoring in national trends and alignment with funders’ priorities.

The City Region’s wealth of cultural assets of national and international significance will be referenced across:

Performing arts	Dance companies, theatres, brass bands, choirs, contemporary and popular music development
Visual Arts	World class galleries, community arts programmes, workspace development initiatives
Festivals	local, regionally and nationally significant festivals for music and the arts.
Diversity	Diversity is celebrated through festivals and arts projects and programmes
Industrial heritage	Textile and coal mining heritage
Innovation and growth	Universities, creative, cultural and design industries
Natural environment	Parks and gardens, landscapes, rivers, open spaces
Built Heritage	Ecclesiastic and Civic buildings, modern, postmodern and contemporary architecture and public realm
Literary, film and TV	Association with historic and contemporary artists / landscapes and places used in film and TV
Sporting connections	Football, rugby, cricket and outdoor pursuits such as walking, climbing, cycling

2.9 This month Arts Council England has published data² that shows the economic impact and significance of the arts and culture in the region. It shows:

- The arts and culture sector in Yorkshire and the Humber has contributed £370 million Gross Value Added (GVA) to the economy in 2016, a 26% increase from 2011.
- The sector contributed a turnover of £730 million to the economy, a £110 million increase from 2011.
- The industry now employs 6,000 people across Yorkshire and the Humber, an increase of nearly 2,000 jobs since 2011.
- In terms of Tourism, Yorkshire and Humber had the largest share of visits to include some form of cultural activity (58%), comprising £308 million of spending.
- In 2016 it is estimated that spending generated by overseas cultural visitors in Yorkshire and the Humber was £410 million.
- Leeds’s art and culture sector was the largest in Yorkshire and Humberside.
- In Leeds the sector created £100 million Gross Value Added (GVA) in 2016. That equates to 27% of the total Gross Value Added in Yorkshire and the Humber during 2016.
- More information at a LEP level is available on the online dashboard³.

Directing activity

2.10 The LEP Board (22 November 2018) asked that options be brought to a future meeting about where future activity on culture, sport and major events should be considered. Since then, the complementary roles of Boards and Panels have become clearer so the cultural agenda benefits from strong leadership with:

Role of LEP Board	To endorse and champion the overall approach to culture and citizen experience, and receive regular updates about impact.
Role of Place Panel	To oversee the development of the cultural framework and narrative, and join-up with associated work elsewhere (e.g. pan-Yorkshire on tourism). The Place Panel workshop on 11 April explored the role of culture as part of its future agenda.
Role of other Panels	To lead relevant aspects of the cultural framework (e.g. skills dimensions, or how cultural assets can be made more inclusive)

The formal panel roles will be informed/underpinned and supported by an inclusive steering/leadership group made up of relevant cultural representatives.

² ‘The Economic Value of Arts and Culture’ (2019) by the Centre for Economics and Business Research (Cebr), commissioned by the Arts Council of England

³ <https://www.artscouncil.org.uk/research-and-data/economic-contribution-public-investment-and-engagement>

National activity

- 2.11 There are a number of recent national programmes and projects of cultural activity which align with, and can help support the LEPs cultural ambitions and which are feeding into the work to develop the cultural vision and framework.

2.11.1 LIS - Connected Growth: Manual for Places

DCMS has produced a set of guidelines for how culture can be incorporated within Local Industrial Strategies, through making places better to live, work and visit, and for businesses to invest

2.11.2 The Cultural Cities Enquiry and Cultural Compacts

The enquiry⁴ includes a set of practical recommendations that will enable cities to make best use of new and existing resources for culture and unlock maximum social and economic value for communities.

2.11.3 Northern Cultural Regeneration Fund

This Fund is the final part of the legacy to last year's Great Exhibition of the North. The remaining funding has now been established as a Northern Cultural regeneration fund set up to provide a lasting legacy as part of the Government's ongoing commitment to improving access to finance for local cultural and creative organisations⁵.

2.11.4 Tourism Sector Deal

In June 2019 the Government announced the first details of a Tourism Sector Deal. This includes a number of commitments, including the announcement of up to 5 pilot Tourism Zones which will provide support for growing the local visitor economy. It is expected that Tourism Zones will be developed and delivered by businesses, local authorities and local enterprise partnerships (in England) who will determine the specific priorities of an area.

More information about the bidding process will be released later in the year, with a view to commencing projects in 2020. This work is being taken into account in developing the new long-term plan for the visitor economy with Welcome to Yorkshire.

3. Financial Implications

- 3.1 There are no direct financial implications from this report.

4. Legal Implications

- 4.1 There are no direct legal implications from this report.

5. Staffing Implications

⁴ <https://www.corecities.com/cultural-cities-enquiry/read-report>

⁵ <https://thekeyfund.co.uk/news/3-million-investment-into-creative-businesses-across-the-north/>

5.1 There are no direct staffing implications from this report.

6. External Consultees

6.1 There are no external consultees for this report, although the project has engaged widely with partners to develop the approach.

7. Recommendations

7.1 The LEP Board endorses the report as an overview of City Region activity on culture, heritage, sport and major events and the progress of the culture and citizen engagement adviser since taking up the part-time position in April.

7.2 The LEP Board endorses the leadership of the City Region's cultural and citizen experience agenda as at para 2.10, with the Place Panel playing a coordinating role over a wider framework as the BIG Panel does on digital.

7.3 The LEP Board notes the associated regional and national updates, which will be taken into account as partners develop the cultural framework and narrative.

8. Background Documents

None.

9. Appendices

None.

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

Date: 18 July 2019

Subject: **Corporate performance**

Director: Angela Taylor, Director, Corporate Services

Author(s): Jon Sheard, Head of Finance
Louise Porter, Corporate Performance and Planning Manager

1. Purpose of this report

- 1.1 To provide the LEP Board with an update on a range of corporate and governance matters.

2. Information

- 2.1 As previously agreed a corporate performance report is now being submitted to each meeting of the LEP Board, to provide information on budgets, performance management, risk, audit, scrutiny and any other matters that emerge. This is in line with recommended practice as set out in the Strengthened Local Enterprise Partnerships document and in line with the commitments in the Assurance Framework.

Budgets

- 2.2 Capital and revenue budgets for the Combined Authority and LEP are monitored on a regular basis.
- 2.3 A summary of the 2018/19 revenue budget and final outturn figures (subject to audit) is attached at **Appendix 1**. A brief commentary is provided below for the more significant variances.
- 2.4 The final position is a £1.6m surplus that adds to the general reserves giving a balance of £6.8m. The year had started with a budgeted £1.4m deficit, though a forecast undertaken during year estimated a £1m deficit position with further updates indicating this position was likely to improve further towards the year end. The much improved year end position is mainly attributable to the subsidised savings ahead of target (£1,300k), reduced concessionary fares costs (£400k) and a combination of early redemption fees and further loan interest accrued on Growing Places loans. Additionally the higher than expected cash balances, reflecting receipt in advance of a number of external funds, has generated £800k of interest over budget.

Corporate performance

- 2.5 A summary of performance against the 2018/19 Corporate Plan and the three headline priorities within it, was presented to the June meeting of the LEP Board. This showed that the majority of headline indicators for 2018/19 had been met and also outlined some notable wider successes across the year.
- 2.6 The report also provided further detail about the four headline indicators which had not been met in 2018/19 with further details regarding the factors which had led to this. In all cases the reasons for not achieving these four targets largely related to external factors outside of the direct control of the Combined Authority and where appropriate targets have been rolled forward into the 2019/20 financial year.
- 2.7 In terms of performance against 2019/20 objectives, the quarter 1 data is currently in the process of being collated and a full update will therefore be provided to the next meeting of the LEP Board

2019/20 Corporate Plan and LEP Annual Delivery Plan

- 2.8 The first LEP Annual Delivery Plan was reported to the June meeting to meet new requirement to produce an annual plan under the Strengthened Local Enterprise Partnerships agenda. This sets out the proposals and targets specific to the LEP in 2019/20 and also includes a review of performance against objectives in the 2018/19 financial year.
- 2.9 As previously highlighted to the LEP Board, as well as being presented as a standalone document, the LEP Annual Delivery Plan also forms an integral part of the overarching Combined Authority Corporate Plan for 2019/20. The design of the Corporate Plan is now complete and the document was presented to the Combined Authority at their meeting of 27 June.
- 2.10 The Corporate Plan sets out the vision and objectives for the organisation as a whole and the practical steps for how these will be progressed during the year. The plan is structured around the four overarching strategic objectives of boosting productivity, enabling inclusive growth, delivering 21st Century transport and supporting clean growth.
- 2.11 A copy of both the 2019/20 Corporate Plan and the LEP Annual Delivery Plan can be found at the following link:

www.westyorks-ca.gov.uk/resources/publications/corporate-plan-and-lep-delivery-plan/

Corporate risk update

- 2.12 In line with the provisions of the Corporate Risk Management Strategy, the key strategic risks affecting the organisation are reviewed regularly and the corporate risk register updated accordingly.

- 2.13 Senior officers have recently undertaken a detailed review of the corporate risk register and as a result of this have suggested a number of changes. These changes are included in the updated version of the register provided at **Appendix 2**.
- 2.14 One new risk which is assessed as 'high' has been added to the register as follows:
- Risk that the Employment Hub programme does not deliver against expected targets, due to the reliance on third party delivery. This is being mitigated through contract management which involves payment being focused on delivery, and regular consultation with delivery partners.
- 2.15 In addition to the inclusion of new risks, a number of existing risks had their rating re-assessed in light of new developments or countermeasures introduced:
- A risk regarding significant change in organisational operations and objectives arising from changes in national policy (SP3) was raised from 'Unlikely' to 'Possible' due to current central Government leadership changes and the uncertainties regarding Brexit. This has resulted in the overall rating for this risk moving from 'High' to 'Very High'.
 - A risk relating to partnership working (PC1) has reduced from 'Possible' to 'Unlikely' due to progression made on the production and implementation of an organisational partnership strategy.
 - The risk relating to financial penalty due to GDPR non-compliance (R2) has reduced from 'Highly Significant' to 'Moderate' due to increased levels of training delivered and progression against the Information Governance project milestones.
 - A risk relating to the coordination of business support in response to Brexit remained as a 'High Risk' despite significant mitigating action, due to the continuing uncertainty around the format of the UKs departure, or non-departure, from the EU.

Audit

- 2.16 The internal audit plan as approved by the Governance and Audit Committee of the Combined Authority covers the activities of the whole organisation. To date no audit assignments directly relevant to the LEP have yet been completed for 2019/20.
- 2.17 The external audit of the annual accounts for 2018/19 is almost complete and the final accounts will be presented for approval at the Governance and Audit Committee meeting of 23 July.

Scrutiny

- 2.18 At its annual meeting on 27 June the Combined Authority approved changes to the terms of reference of the Overview and Scrutiny Committee to make more explicit its ability to extend its functions to decisions and activities of the

LEP. The Committee will be agreeing its 2019/20 workplan at its next meeting, on 12 July, and the LEP Board will be advised of any input that may be required to this work plan.

3. Financial Implications

3.1 As set out in the report.

4. Legal Implications

4.1 None arising directly from this report.

5. Staffing Implications

5.1 None arising directly from this report.

6. External Consultees

6.1 None.

7. Recommendations

7.1 That the LEP Board note the corporate performance information provided.

8. Background Documents

8.1 None.

9. Appendices

Appendix 1 – 2018/19 revenue spend against budget

Appendix 2 – 2018/19 Corporate Risk Update

West Yorkshire Combined Authority - Summary

Title	Budget 2018/19 £	31 March 2019 Actual £	%	Commentary
Expenditure				
Salary & Pay Related Costs	19,664,698	18,965,393	96.4%	Staff vacancies / turnover higher than estimated
Indirect Employee Related Costs	556,450	793,938	142.7%	Higher than budget but in line with forecasts - due to recruitment and salary sacrifice costs
Premises Related Costs	6,184,194	6,597,879	106.7%	High cost due to correct accrual errors in 2017/18 - future budgets & actuals now aligned
Travel, Transport & Subsistence Related Costs	112,984	135,303	119.8%	
Member Related Costs	153,168	141,342	92.3%	
Office Supplies & Services	540,050	631,191	116.9%	Higher than budget but in line with forecasts - Printing costs in Transport Services
ICT & Telephony Costs	2,342,778	2,172,132	92.7%	
Professional & Consultancy Fees	2,296,718	3,139,414	136.7%	High cost mainly due to Transport Services ticketing bank charge increases
Corporate Subscriptions	39,398	21,321	54.1%	
Marketing & PR Costs	1,315,079	1,262,967	96.0%	
Insurance	279,400	340,574	121.9%	Higher premiums due to claims history plus increase in claims (ie policy excesses)
Operator Payments (Transport)	27,397,250	26,526,388	96.8%	## - These lines all related. Overall savings achieved ahead of target.
Concessions	56,270,200	55,867,645	99.3%	
Additional Pension Costs	2,245,800	2,129,163	94.8%	
Financing Charges	5,670,000	4,783,325	84.4%	Interest earned on cash balances more than estimated - reflects spend pattern on capital programme
Grants	3,893,861	645,353	16.6%	*** - Variances on these lines largely net off - due to Economic Service projects that were managed via capital programme.
Other Miscellaneous Costs	514,958	1,874,961	364.1%	*** - Variances on these lines largely net off - due to Economic Service projects that were managed via capital programme.
Contribution to External / Related Parties	277,606	280,556	101.1%	
Total Expenditure	129,754,592	126,308,844	97.3%	
Income				
Rail Access Grant	(918,000)	(878,000)	95.6%	Grant reduction notified during year and in line with forecasts.
LEP General Funding Income	(1,234,000)	(1,266,014)	102.6%	
Growing Places Fund Interest	(200,000)	(1,105,884)	552.9%	Significantly higher amount due to prudent estimate, early redemption fee and interest accrued on two significant loans.
Enterprise Zone Receipts	(1,968,000)	(1,760,670)	89.5%	Lower than budget but in line with forecasts.
Transport Levy	(94,198,000)	(94,198,000)	100.0%	
Bus Service Operator Grant (BSOG)	(1,942,000)	(2,063,592)	106.3%	## - These lines all related. Overall savings achieved ahead of target.
Education Contribution to Transport	(6,768,000)	(7,074,948)	104.5%	## - These lines all related. Overall savings achieved ahead of target.
Bus Station Tenant Income	(1,472,464)	(1,375,816)	93.4%	Budget estimate for bus station tenant income not achieved due to vacant sites.
Bus Station / Services - Other Income	(2,866,121)	(2,672,827)	93.3%	Budget estimates not achieved for bus station departure fees and other income for bus station services
Admin Recharges	(2,247,672)	(2,800,618)	124.6%	Additional staff recovery charges - staff seconded to partners.
Capitalisation of Revenue Costs	(6,803,125)	(5,877,260)	86.4%	*** - Variances on these lines largely net off - due to Economic Service projects that were managed via capital programme.
Other Income	(7,684,973)	(6,866,681)	89.4%	*** - Variances on these lines largely net off - due to Economic Service projects that were managed via capital programme.
Total Income	(128,302,355)	(127,940,311)	99.7%	
Net Expenditure	1,452,237	(1,631,467)	-112.3%	

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APPENDIX 2: CORPORATE RISK UPDATE

Current Risk Appetite:	Low Risk Appetite  High Risk Appetite				
	1	2	3	4	5
Compliance and Regulation					
Operational/Service Delivery					
Financial					
Reputational/Marketing/PR					
Strategic Transformational Change					
Development and Regeneration					
People and Culture					

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Current 'Very High' risks:

Current 'Very High' risks:		Probability	Impact	Mitigation summary	Movement since last report
Very High x3	Failure to secure enhanced funding and devolved powers (F1)	Possible	Highly significant	Devolution discussions continuing	No Change
	Failure to deliver Growth Deal/other capital funding programmes within timescales/ costs (SD2)	Possible	Highly significant	Significant controls in place through PMO	No Change
	Major unanticipated change in national policy resulting in failure to meet organisation/organisational objectives (SP3)	Possible	Highly significant	Ongoing dialogue with Government. Monitoring of national policy trends	Increased

Current 'High' risks:

		Probability	Impact	Mitigation summary	Movement since last report
<p style="text-align: center;">76 High x16</p>	Failure to have the supporting infrastructure and processes in place to deliver against corporate priorities (SD3)	Possible	Major disruption	Transformation programme & corporate technology programme in place and addressing this	No Change
	Failure to have in place the capacity, skills and resource needed to deliver increased workload (HR1)	Possible	Major disruption	Organisational structures largely embedded. Ongoing monitoring	No Change
	Failure to deliver CA objectives and outcomes to demonstrate that CA/LEP is making a difference (SD1)	Possible	Major disruption	Continuing to embed remaining elements of change programme	No Change
	Failure to secure sufficient and continued funding for key services (F2)	Possible	Moderate	Ongoing review of funding opportunities/bids. Budget monitoring	No Change
	Failure to deliver appropriate working arrangements with District partners (PC1)	Unlikely	Major disruption	Continuing to strengthen key partnerships	Probability reduced
	Risk of legal proceedings/financial penalty of not being compliant with GDPR (R2)	Possible	Moderate	Information asset register/data policies continually reviewed	Impact reduced
	Risk that national terrorism threat level is raised to 'imminent' resulting in unanticipated operational changes/costs (SP2)	Possible	Major Disruption	Continued review of national trends/ Incident management training ongoing	No Change
	Insufficient national & local investment in the inclusive industrial strategy to make the transformational change needed (SP1)	Possible	Moderate	Ongoing dialogue and proactive engagement with Government	No Change
	Risk of legal challenge as a result of not being compliant with HR, Financial, procurement and Governance Legislation (R1)	Possible	Moderate	Policies/procedures in place and subject to ongoing review	No Change
	Financial failure of a major contractor/supplier to the CA or a recipient of funding from the CA (F3)	Possible	Moderate	Contract management, regular financial checks and escalation processes	No Change
	Risk of Major incident at CA facility, accident /injury to vulnerable person(s) (SS1)	Unlikely	Highly significant	Policies/procedures/training in place and continually reviewed	No Change
	Failure to generate sufficient business rates income to support corporate revenue projections (PC2)	Possible	Major Disruption	Prudent income forecasting. Dedicated Enterprise Zone team in place	No Change
	Risk that Brexit response not sufficiently well coordinated across local partners leading to loss or duplication of service (SP4)	Possible	Moderate	Continuing dialogue with local partners & assessment of potential responses	No Change
	Significant transport disruption arises from major transport investment programmes (PC3)	Possible	Major Disruption	Creation of a travel demand management plan and close working with programme sponsors	No Change
	Business failure of transport providers (SD4)	Possible	Major Disruption	Open dialogues for early warnings	No Change
	Risk that the Employment Hub programme is not delivered as required due to reliance on third party delivery	Possible	Major Disruption	Regular meetings with delivery partner. Evidence based payment system in place.	NEW