

LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD

MEETING TO BE HELD AT 2.00 PM ON THURSDAY, 16 JANUARY 2020
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 21 NOVEMBER 2019 (Pages 1 - 6)

5. PANEL AND COMMITTEE REPORTS

(a) BUSINESS INNOVATION AND GROWTH PANEL

(Led by: Andrew Wright)
(Pages 7 - 12)

(b) EMPLOYMENT AND SKILLS PANEL

(Led by: Mark Roberts)
(Pages 13 - 18)

(c) WEST YORKSHIRE PLUS TRANSPORT FUND REVIEW (INVESTMENT COMMITTEE)

(Led by: Roger Marsh)
(Pages 19 - 30)

- 6. STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS**
(Led by: Alan Reiss, Author: Katie McLean)
(Pages 31 - 32)
- 7. LOCAL INDUSTRIAL STRATEGY**
(Led by: Alan Reiss, Author: Emma Longbottom)
(Pages 33 - 40)
- 8. REVIEW OF INCLUSIVE GROWTH FOR BUSINESS GRANTS**
(Led by: Henry Rigg, Author: Lorna Holroyd)
(Pages 41 - 52)
- 9. ECONOMIC REPORTING AND BREXIT ASSESSMENT**
(Led by: Alan Reiss, Author: James Hopton)
(Pages 53 - 64)
- 10. LEEDS CITY REGION LOCAL ASSURANCE FRAMEWORK**
(Led by: Roger Marsh, Author: Julia Radianec)
(Pages 65 - 164)
- 11. LEP AND COMBINED AUTHORITY BUSINESS PLANNING & BUDGET 2020/21**
(Led by: Angela Taylor, Authors: Angela Taylor & Jon Sheard)
(Pages 165 - 182)
- 12. CORPORATE PERFORMANCE**
(Led by: Angela Taylor, Authors: Jon Sheard & Louise Porter)
(Pages 183 - 192)

For Information

- 13. DATE OF NEXT MEETING**
The next meeting will be held on 25 February 2020.



**MINUTES OF THE MEETING OF THE
LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD
HELD ON THURSDAY, 21 NOVEMBER 2019 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Roger Marsh OBE (Chair)	Leeds City Region Enterprise Partnership
Kate Hainsworth	Leeds Community Foundation (from minute 58)
Amir Hussain	Yeme Architects
Mandy Ridyard	Produmax Ltd (from minute 58)
Mark Roberts	Beer Hawk Ltd
Councillor James Lewis (Substitute)	Leeds City Council
Councillor Susan Hinchcliffe	Bradford Council
Councillor Shabir Pandor	Kirklees Council
Councillor Jane Scullion (Substitute)	Calderdale Council
Councillor Andrew Waller (Substitute)	City of York Council

In attendance:

Tom Riordan	Leeds City Council
Ben Still	LEP/West Yorkshire Combined Authority
Angela Taylor	LEP/West Yorkshire Combined Authority

In attendance for specific items:

Alan Reiss	LEP/West Yorkshire Combined Authority
Racheal Johnson	LEP/West Yorkshire Combined Authority
Kate Thompson	LEP/West Yorkshire Combined Authority
Ruth Chaplin	LEP/West Yorkshire Combined Authority

51. Chair's Comments

The Chair reminded the Board that due to the general election on 12 December 2019, the meeting was being held during the purdah period. Whilst this did not prevent normal business taking place, no new information or announcements not already in the public domain would be discussed.

52. LEP Senior Sponsor Welcome

The Chair introduced Peter Mucklow who had been appointed by Government as the LEP's new senior sponsor.

The LEP Senior Sponsor programme has been designed to address issues identified with the previous programme and would support the wider objectives of the Industrial Strategy and provide challenge to the LEP as local strategies are refreshed.

Members welcomed Peter Mucklow and looked forward to working with him to continue to build on the LEP's success.

53. Apologies for Absence

Apologies for absence were received from Adam Beaumont, Bob Cryan, Nic Greenan, Rashik Parmar, Simon Pringle, Joanna Robinson, Andrew Wright and Councillors Keith Aspden, Judith Blake, Peter Box, Richard Cooper, Andrew Lee and Tim Swift.

54. 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.

55. Exclusion of the Press and Public

Resolved: That in accordance with paragraph 3 of Part 1 Section B of the Access to Information Annex to the LEP Board Procedure Rules, the public be excluded from the meeting during consideration of Appendix 1 to Agenda Item 11 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

56. Minutes of the meeting held on 25 September 2019

Resolved: That the minutes of the meeting held on 25 September 2019 be approved and signed by the Chair.

57. Governance Report

The Board considered a report of the Director of Corporate Services on governance issues.

Members were informed that Councillor Peter Box, Leader of Wakefield Council, has announced that he will be stepping down as Leader with effect from 30 November 2019. It was reported that Councillor Denise Jeffery would be the new Leader from 1 December 2019 and would replace Councillor Box as a member of the LEP Board.

The Board paid tribute to Councillor Box and asked that a letter of appreciation be sent to him passing on their thanks for his valuable contributions and wishing him every success in his new role as Chair of Welcome to Yorkshire.

In respect of private sector membership, it was reported that the Appointments Panel had recently met in order to continue to move the Board membership to align with the future requirements of the review of the LEPs. It was proposed that Mandy Ridyard and Kate Hainsworth be appointed to the LEP Board. The Board approved the recommendation and welcomed them to the meeting.

Members noted the proposed changes to the private sector LEP Board membership on the Business, Innovation and Growth Panel, Inclusive Growth and Public Policy Panel and Place Panel which were outlined in the submitted report. The changes would be considered by the Combined Authority at their next meeting.

Resolved:

- (i) That Councillor Denise Jeffery replace Councillor Peter Box as a member of the LEP Board with effect from 1 December 2019.
- (ii) That Mandy Ridyard and Kate Hainsworth be appointed as a private sector members of the LEP Board with immediate effect.
- (iii) That the proposed changes to the private sector membership of the Combined Authority's Panels, as set out in paragraph 2.13 of the submitted report, be noted for adoption by the Combined Authority at its next meeting.

58. Panel and Committee Reports

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

The Business Communications Group had met on 17 October 2019 and the report provided an update of the items discussed at the meeting. It was reported that following the Convention for the North event an NP11 'Manifesto for the North' had been produced and distributed to all the main political parties and a copy was circulated at the meeting.

It was reported that the Green Economy Panel had held their meeting in Selby. Members had visited the Drax power station prior to the meeting and this had provided a welcomed opportunity to hear about the station's transition from coal to electricity generation using biomass and a summary was provided in the submitted report. The Board discussed the key priority to support carbon reduction and meet climate change ambitions in the LEP's programmes. It was reported that methodologies were being developed so that schemes could be assessed for their impact and reports to the Investment Committee and Combined Authority included clean growth implications.

In respect of the LEP Capital Programme (Investment Committee) update, the Board noted the Growth Deal spend in quarter 2. The Growth Deal dashboard was attached at Appendix 1 and the Board endorsed the data capture return for quarter 2 which was circulated at the meeting. The return would now be

submitted to the Cities and Local Growth Unit (CLoG).

It was reported that the mid-year review of the Growth Deal had taken place and the conclusion of the meeting was that the programme was performing well. Output targets had also been considered and these were on track to be achieved. In respect of the independent review of the West Yorkshire plus Transport Fund, the draft final report had been received and was positive. Government would now consider this report and a summary of the final report would be brought to a future meeting.

Resolved:

- (i) That the Panel and Committee updates be noted.
- (ii) That the CLoG data capture return be endorsed for sign off by the LEP Chair.

59. Strengthened Local Enterprise Partnerships

The Board considered a report of the Director of Policy, Strategy and Communications and on the LEP's response to the Strengthening LEPs review and recommendations.

It was reported that due to the restrictions of the pre-election purdah period, the LEP Board was not in a position to take a decision on this item and the decision will be deferred until early 2020. It was stressed that the LEP will ensure it is fully compliant with the Strengthening LEPs guidelines for March 2020.

Resolved: That the update be noted.

60. Local Industrial Strategy

The Board considered a report of the Director of Policy, Strategy and Communications on the Local Industrial Strategy (LIS).

The report provided an update on the development of the LIS which had been the focus of the LEP Board away day in September 2019 where Members had reviewed the priorities which had been identified. Following the away day, the priorities and proposals had been further developed and tested and details of the consultation and engagement activities recently undertaken on the draft proposals were outlined in the report. It was suggested that other business groupings such as British Asian businesses be contacted as their views could provide additional valuable information to support the development of the draft priorities.

Members were advised that due to the forthcoming general election purdah and uncertainty around Brexit, the timetable outlined in the report for submitting the LIS was now unrealistic. It was proposed that the LIS now be finalised and submitted to Government in early 2020. It was agreed that sign

off of the draft LIS be delegated to the Combined Authority's Managing Director in consultation with the Chairs of the LEP and the Combined Authority and the final version would be brought to a future meeting.

Resolved:

- (i) That the progress made be noted.
- (ii) That the sign off and submission of the draft Local Industrial Strategy be delegated to the Combined Authority's Managing Director in consultation with the Chairs of the LEP and the Combined Authority.

61. Leeds City Region Enterprise Zones Programme

The Board considered a report of the Enterprise Zone Senior Responsible Officer on further options to facilitate the delivery of the Leeds City Region Enterprise Zone (EZ) programme.

The report provided an update on the programme delivery which was on track to spend all of its original Growth Deal 3 funding allocation. To date, sites within the programme had been brought forward via the traditional delivery route where a private sector owner/developer takes the lead and the key steps of the development process were outlined in the report. It was noted that the extent of the LEP/Combined Authority's intervention (or public sector partners) can include all or some of the steps in the development process for delivery and Members noted a number of further delivery approaches which were listed in Table 1.

The Board recognised the challenges of the programme and thanked officers for the progress achieved to date. They discussed the potential options to both acquire and directly develop land in order to advance the programme. It was acknowledged that considering a more direct role in the delivery of key sites would have the potential to have a significant impact in terms of the benefits realised from the EZ programme and the need to maintain the collaborative approach and agreement with local authorities was noted.

Resolved: That the potential options to acquire and directly develop land in order to advance the Leeds City Region Enterprise Programme be noted.

62. Floods

The Board discussed the practical measures being taken following the recent severe flooding in South Yorkshire.

Members were reminded of the actions taken and support offered by the Combined Authority after the floods in 2015. A Business Flood Recovery Fund had been established from the Local Growth Fund allocation aimed at supporting affected businesses, providing grants to contribute towards capital investment in new equipment, machinery or premises to maintain or recommence their operations.

The need for further investment in flood alleviation schemes was discussed. It was suggested that the work previously undertaken on the approach to future prevention and flood resilience in the Leeds City Region, which had been developed with key stakeholders and other neighbouring authorities including North Yorkshire, be resent to Government.

Resolved: That the approach to flood resilience document be resent to Government highlighting the need for further investment in flood prevention schemes.

63. Future Approach to Business Finance

The Board considered a report of the Director of Policy, Strategy and Communication on the proposed future approach to business finance and investment management.

The meeting was attended by Deloitte who had been commissioned to advise on gaps in the regional investment market, potential business finance models and advise on appropriate and robust procedures prior to launching a new fund. The report outlined the second phase of the work and a copy of the draft investment strategy was attached at exempt Appendix 1.

Members discussed and provided feedback on the draft investment strategy, governance proposals and the next steps for implementation.

The draft strategy will also be considered by the Business Innovation and Growth Panel, the West Yorkshire and York Investment Committee and the Business Investment Panel. The feedback will help shape the final Investment Strategy which will be a public facing document setting out the LEP/Combined Authority's approach to investments and will provide a transparent methodology for investment decision-making.

The final version of the Investment Strategy will be brought to a future meeting of the LEP Board for approval.

Resolved: That the draft Investment Strategy be noted.

64. Draft Minutes of the West Yorkshire Combined Authority held on 10 October 2019

Resolved: That the draft minutes of the West Yorkshire Combined Authority held on 10 October 2019 be noted.

65. Date of Next Meeting

The next meeting of the LEP Board will be held at 2pm on Thursday 16 January 2020.

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

Date: 16 January 2020

Subject: **Business Innovation and Growth Panel**

Director(s): Alan Reiss, Director of Policy, Strategy & Communications
Henry Rigg, Interim Executive Head of Economic Services

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

1. Purpose of this report

- 1.1. To provide the Leeds City Region Enterprise Partnership (LEP) Board with a progress report on significant areas of activity related to the Business, Innovation and Growth (BIG) Panel as discussed at the meeting in November 2019.

2. Information

Innovation

MIT REAP

- 2.1 The Panel received an update on progress to deliver the MIT REAP Leeds project which is on track to deliver a strategy by January 2020. To coincide with this, Leeds is hosting a visit from the other MIT cohorts at the end of January which will provide an opportunity to showcase good practice and case studies from across the region.
- 2.2 The Panel supported a proposal to bid to be part of an MIT REAP lite programme being led by BEIS, MIT and the University of Loughbrough. This programme, whilst following the same process as the current programme, will focus exclusively on the adoption of new technologies and leadership and management practices in SMEs. As such it aligns strongly with the Smarty Interreg project currently underway (see below).

Smarty Interreg

- 2.3 Aligned with the MIT REAP lite proposal above, the Panel discussed the European Interreg project which focusses on the sharing of best practice and learning across Europe on Industry 4.0.

The LEP, alongside the Textiles Centre of Excellence in Huddersfield, are the only UK partners in this four year project which aims to identify barriers around adoption of Industry 4.0 and develop a plan of action for interventions.

Business Support

Brexit

- 2.4 Activity progresses to support the City Region's businesses to prepare for the implications of Brexit. This includes the recruitment of an additional 8.5 SME Growth Managers to focus on business resilience and planning with some of our larger, internationally-active SMEs (taking the full resource to 19 full-time equivalent managers), and procuring Clarion solicitors to undertake some more detailed Brexit-related engagement with UK-owned large businesses (250+ employees) with operations in the City Region.
- 2.5 The LEP's Brexit Business Support Scheme has been temporarily postponed until the Government's position on any new business support related to Brexit is set out in more detail in early January 2020. A verbal update on this will be delivered at the meeting. The four Yorkshire and Humber LEPs continue to work closely on the design of new regional support interventions (including a business-led dynamic web platform), and on capturing more detailed and timely intelligence on the potential economic impacts of Brexit on the business base and local economies.

LEP Growth Service

- 2.6 The Growth Service provides businesses in Leeds City Region with direct access to the full range of publicly funded products and services available to help them grow and/or sustain. This includes those delivered directly by the LEP and those available via partner organisations, including the Department for International trade, Innovate UK, Northern Powerhouse Investment Fund, universities and chambers.
- 2.7 Since its launch in April 2015, the service has supported over 13,500 individual businesses with over 21,000 meaningful interventions e.g. business grants, one-to-one advice, one-to-many workshops or peer-to-peer support. The recent independent evaluation of the service has provided a number of recommendations to further improve the customer experience, which will be implemented in the coming months via Service Enhancement Plan. These include: - making better use of new channels and technologies to engage a wider and more diverse business audience, ongoing professional development of the SME Growth Managers (including adopting professional occupational standards), use of more dynamic business-to-business web content to engage and enthuse businesses, and better utilising the National Business Helpline to increase the service's capacity to focus more on growth and scale-up potential firms.
- 2.8 The below link provides access to a number of case studies of businesses supported via the service in recent times <http://www.the-lep.com/case-studies/>.

Productivity Pilot

- 2.9 The second round of the Productivity Pilot launched in November 2019, with an increased budget of £750,000 allocated from the overall Business Growth Programme. As with last year's original scheme, businesses are being invited to put forward investments in capital equipment that will lead to clearly defined productivity improvements at the micro and macro level, as opposed to being required to create new jobs as with the core programme. Capital grants of between £25,000 and £100,000 are available to applicants, who are invited to submit a detailed Investment Plan alongside their applications. The plans also need to clearly set out what complementary activities the businesses will undertake to make the best possible impact on productivity e.g. upskilling key staff members, implementing a business improvement project (such as Lean or Six Sigma) or working towards a recognised industry or supplier accreditation.

Be the Business Mentoring Scheme

- 2.10 'Be the Business', a Government-backed initiative aimed at addressing the underperformance of UK productivity, has launched its business mentoring scheme within Leeds City Region. The programme aims to facilitate knowledge transfer, exchange of ideas, expertise and experience to shape the future direction of SMEs with a focus on delivering a step-change in business productivity and growth.
- 2.11 The scheme follows on from a successful pilot of 180 matches between businesses and mentors made across Greater Manchester, Birmingham, the North East of England and London in the last 12 months. The target is now to match 50 SMEs in Leeds City Region with experienced mentors from some of the UK's leading businesses (including GSK, Amazon and The John Lewis Partnership) by the end of March 2020. This offer is now integrated within the Growth Service and is being actively promoted by the SME Growth Managers.

Clean Growth

- 2.12 The Resource Efficiency Fund programme completed at the end of 2019 and achieved the following positive outcomes: - an estimated 2,409 tonnes per annum of CO2 savings, with estimated savings to the recipient businesses of over £650,000 per annum, and grant investment of almost £900,000 into 139 SMEs to facilitate the reduced use of energy and water, and improved approach to waste. Its successor programme, ReBiz, will commence in January 2020 for three years and will incorporate a new element focussed on the circular economy, alongside a larger grant offer and continued resource efficiency assessments for businesses.

Trade and Investment

- 2.13 Six inward investment successes were recorded since the last BIG Panel update to the LEP Board on 25 September 2019 (three of which remain confidential at the time of writing this report).

- Large chemicals company investing in additional premises to accommodate future growth.
 - Manufacturer of construction materials have expanded at their existing site to incorporate the installation of a new production line.
 - Swedish engineering firm Novotek have established a new office and Innovation Lab in Leeds creating 12 new jobs.
(<https://www.investleedscityregion.com/all-news-and-blogs/novotek-opens-new-offices-and-innovation-lab-in-leeds/>)
 - A South African investment crowdfunding platform has established a small office in the City Region (Wakefield).
 - Iwoca – leading FinTech SME lender in the UK are establishing a new office in Leeds creating 70 new jobs.
 - Hothams - A gin company from Hull are expanding into the region and establishing a gin school in Leeds creating six jobs.
(<https://www.yorkshirepost.co.uk/business/hotham-s-gin-school-expands-into-leeds-1-10071284>)
- 2.14 56 new enquiries were received and six investor visits to the City Region were hosted during this same period.
- 2.15 The Trade and Investment team have attended a number of events and conferences over the past quarter with the aim to raise the profile of Leeds City Region and engage with industry.
- 2.16 This included attendance at
- SIBOS (London) – 23-26 Sept 2019. This included a roundtable fintech event in partnership with KPMG and the Deputy Mayor of London Rajesh Agarwal.
 - SMART Cities Expo (Barcelona) – 18-21 Nov 2019. A Leeds City Region delegation made up of 60 people from local authorities, universities, developers and businesses operating within the Smart Tech space in a public / private partnership represented the region.
 - The Offsite Construction Show (London) – 20-21 Nov 2019
- 2.17 Upcoming planned activities include
- China (Hangzhou and Qingdao) – 7 Dec to 14 Dec 2019
 - Arab Health (Dubai) – 27-30 Jan 2020
 - MIPIM 2020 (Cannes) – 9-13 Mar 2020
- 2.18 A verbal report on the China visit in December 2019 will be provided at the meeting.
- 2.19 The Key Account Management team is currently engaging with over 125 companies across the region and is actively account managing 85 of these. Approximately 65% of the companies are in the advanced engineering and manufacturing sector, with 20% from the creative and digital sector. Brexit challenges, opportunities and insights continue to be a priority with this activity, which has been bolstered by the recent appointment of Clarion to undertake some detailed consultation with a number of our large UK-owned businesses.

Creative Industries Opportunity programme

- 2.20 Final business case documentation has been submitted to the Combined Authority's assurance team, with approvals expected in December 2019. The programme will then be launched in the New Year.
- 2.21 The programme is committed to supporting inclusive growth. This included sponsorship of a recent event hosted by the Women in Film and TV (WFTV) network, which is dedicated to advancing the professional development of women working in media. The event, 'WFTV: An Audience with Sally Wainwright' was held at Northern Ballet on 15 October and was well-attended by individuals from across the UK. It featured an in-depth discussion with Sally Wainwright on her Halifax-based drama, 'Gentleman Jack'.
- 3. Clean Growth Implications**
- 3.1 Please see point 2.10 above.
- 4. Financial Implications**
- 4.1 There are no direct financial implications directly arising from this report.
- 5. Legal Implications**
- 5.1 There are no legal implications directly arising from this report.
- 6. Staffing Implications**
- 6.1 There are no staffing implications directly arising from this report.
- 7. External Consultees**
- 7.1 No external consultations have been undertaken.
- 8. Recommendations**
- 8.1 For the LEP Board to note progress on significant areas of activity related to the BIG Panel.
- 9. Background Documents**
- 9.1 None.
- 10. Appendices**
- 10.1 None.

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

Date: 16 January 2020

Subject: **Employment and Skills Panel update**

Director: Alan Reiss, Director of Policy Strategy and Communications

Author(s): Michelle Burton, Head of Employment and Skills

1. Purpose of this report

- 1.1 To provide the LEP Board with a report on the work of the Employment and Skills Panel.
- 1.2 Board members are asked for their help in raising awareness of the Apprenticeship Levy transfer service among their networks.

2. Information

Chair's Update

- 2.1 The interim report for the **Future-Ready Skills Commission** was published in November 2019 and sets out 10 things that need to change with the current skills system <http://futurereadyskillscommission.com/>. In its next phase, the Commission will design a blueprint for how the skills system needs to work to deliver local outcomes.

School Partnerships

- 2.2 The **Enterprise Adviser Network** and the Combined Authority's Enterprise Coordinators are currently engaged with 183 (92%) of secondary schools and colleges. From April 2019 to November 2019 the network has delivered over 164,670 employer encounters and 18,566 employer encounters for pupil premium learners, 11,973 of whom have had at least two employer encounters as part of the network.
- 2.3 As reported at the last meeting, 16 projects have been awarded through the **Raising Aspirations pilot** to give schools and colleges the opportunity to trial innovative approaches to supporting their most disadvantaged young people. These projects will support 6500 disadvantaged pupils to have multiple encounters with local employers with a focus on employers in skills shortage sectors.

- 2.4 The Kirklees **Careers Hub** is making good progress in supporting hub schools and colleges to achieve the Gatsby benchmarks of good careers guidance. The average number of benchmarks achieved by the 33 secondary schools and two colleges in the Hub is 4.27, against a national average of 3.9.
- 2.5 The **Special Educational Needs and Disability (SEND)** Hub officially launched in September 2019. The Hub will support schools to share best practice with each other and will prepare students for work by providing meaningful encounters with employers. The aim is for students with special educational need and disabilities – who are currently significantly disadvantaged in the labour market – to make a successful transition into the world of work.

Careers

- 2.6 The **FutureGoals** careers campaign has re-launched as an all-age inspiration platform enabling individuals of all ages to access high quality Labour Market Information. The website <https://futuregoals.co.uk> now features a sector based presentation pack including inspirational videos from regional business role models, employer profiles and regional facts to inspire and support individuals to make better, more informed careers decisions.
- 2.7 The FutureGoals campaign re-launched at Skills Yorkshire along with the rollout of the **Creative Industries Toolkit** sponsored by Burberry Foundation. The LEP sponsored a 'Creative Zone' which convened businesses from across the region into an interactive zone to inspire young people, teachers, parents and carers to consider careers in the creative sector, businesses from textile manufacturing, digital, gaming and screen were represented. This is the region's largest skills show aimed and young people, educators and parents and carers. The event was attended by 62 educational institutions and had over 5500 visitors over two days.
- 2.8 The Combined Authority's adult re-training programme, **[re]boot**, part-funded through European Social Funds (ESF), has commenced with delivery through West Yorkshire Consortium of Colleges and Leeds Trinity University. The programme is targeting career changers, under- employed and inactive graduates. It offers individuals over the age of 18 the opportunity to upskill, gain new qualifications and employment within shortage sectors, particularly Digital and Creative, Construction and Engineering.
- 2.9 Despite a delayed start, delivery throughout the final quarter of 2019/20 has seen significant growth. The first courses have commenced through Bradford College and Leeds Trinity University where 87 individuals have benefitted from learning through [re]boot courses. Courses have been co-designed and delivered by employers and have included digital skills courses and courses in hybrid vehicles. A course in production skills was oversubscribed and 35 individuals benefitted a course that was entirely taught by industry professionals, individuals also gained exposure to industry experts through a professional networking session. The next quarter will see a repeat of the

production skills course as well as courses in construction, engineering and digital skills.

Apprenticeships and Employment

- 2.10 The **Apprenticeship Grant for Employers (AGE)** programme closed to new applications in November 2019. As previously reported, applications for the grant have been lower than anticipated with only 26 applications being received in the final phase of which only 10 have been eligible for the grant so far. Final grants will be processed by the end of March 2020.
- 2.11 As previously reported, during summer of 2019 the LEP/Combined Authority was contacted by a number of training providers who have reported that they are turning away non-levy paying businesses and potential learners (up to 300 in autumn 2019) because of a shortage of core apprenticeship funding. The Combined Authority surveyed providers and found that the vast majority had run out of funding for SME apprenticeships, or were soon to do so. This issue was raised at the LEP Board July meeting and officers were charged with finding solutions for this issue in the immediate and longer term.
- 2.12 A pilot phase over the summer demonstrated levy-payers' willingness to engage in apprenticeship levy transfer and their need to be hand-held through the process. The vast majority of levy-payers weren't aware that they could transfer up to 25% of their levy to SMEs. Although the biggest challenge has been identifying levy-payers with unspent funds, where these can be identified, the response has been very positive, with a key message about keeping money in the region really resonating.
- 2.13 An impartial **Apprenticeship Levy Transfer Service** has now been launched. The service is reaching out to a larger number of levy-paying companies to utilise up to 25% levy transfer opportunities to support SMEs and their apprentices. <https://www.the-lep.com/for-businesses/skills-and-training/apprenticeship-levy-support/>
- 2.14 Portakabin has finalised levy transfer of £60k per annum for three years to support 12 engineering apprentices. Officers are working with a group of levy-payers to support 32 apprenticeships in a priority sector, with a value of £1.2m.
- 2.15 The **LCR Employment Hub** programme, launched in January 2019, is being delivered in partnership with Local Authorities and will support over 6,000 young people aged 15-24 to access apprenticeships and employment. So far, the programme has:
- Engaged 892 15-24-year-old participants against a profile of 1,125 (79%). Of these 262, against a profile of 119 (220%), were recorded as being from ethnic minorities and 193 declared they had disabilities against a target of 92 (210%)
 - Engaged with 622 businesses against a target of 1029 (60%).

Skills for Businesses

- 2.16 As previously reported, the Combined Authority has submitted a bid for funding through a recent ESF **Skills for Growth** call. A decision is expected soon. The proposed programme will support businesses to engage with the full breadth of the education landscape and is currently progressing through the Combined Authority's internal approval process.
- 2.17 Officers of the Combined Authority are working closely with the West Yorkshire Consortium of Colleges to ensure that its ESF funded skills programmes respond to current economic challenges and opportunities, in particular:
- Supporting businesses to prepare for Brexit through export training and cross-referrals to the broader business support offer;
 - Developing an editor training offer, to support local companies to take advantage of the opportunities associated with the relocation of Channel 4's national headquarters to Leeds City Region

Work Wellness

- 2.18 Work wellness pilots are being carried out in York and Calderdale to support individuals aged 50+ or individuals of any age who are currently in work and experiencing mental ill health, by working with GPs, individuals and businesses to find the best way to remain in work, using both clinical and non-clinical intervention. The aim of the pilot is to test whether non-clinical interventions with this cohort can support sustained employment.
- 2.19 The Calderdale pilot continues to be an extremely popular and valued addition to the Medical Centre Team and their patients. This quarter has seen an increase of clients successfully moving on into employment, education and training. 344 Clients have been supported since the start of the project of whom only 40 of these actually required a GP/Medical appointment.
- 2.20 As indicated at the last meeting, the evaluation of the Work Wellness social prescribing model in York will be considered by the next meeting of the Inclusive Growth and Public Policy Panel.

Skills Advisory Panel

- 2.21 The Panel approved proposed changes to the governance arrangements of the Employment and Skills Panel to reflect the requirements of its Skills Advisory Panel remit.
- 2.22 Skills Advisory Panels (SAPs) have been initiated by government and their purpose is to bring together local employers and skills providers in order to develop a shared understanding of local skills needs and to define clear skills priorities. These deliberations are under-pinned by an evidence-based approach grounded in high quality labour market analysis.

Policy development

- 2.23 An overview of the developing “people” strand of the Local Industrial Strategy was given and the Panel’s views were sought.
- 2.24 The Panel was given a presentation on workforce skills and members were asked to consider:
1. What should the LEP’s overarching objective be in this area?
 2. What should be the key messages to Government on national policy development?
 3. How can the LEP engage with employers on this agenda?

Preparing for Brexit

- 2.25 The LEP’s latest labour market report shows that across Leeds City Region there are just under 80,000 EU migrant workers, which is equivalent to 5% of total employment. There were 10,100 applications for national insurance numbers in the LEP area in 2018/19, a decline of 23% between 2017/18 and 2018/19, following a decline of 18% in the previous year. This means that registrations are 42% lower than at their peak in 2014/15.
- 2.26 EU migrant employment in LCR is concentrated in particular sectors, most notably wholesale and retail (22 per cent of the total), manufacturing (21 per cent), accommodation and food services (11 per cent) and health and social work (9 per cent).
- 2.27 The occupational groups with the highest level of employment among EU migrants are classified as lower-skilled elementary occupations, service roles (such as kitchen assistants and bar staff), elementary trades including storage workers – more than 1/3rd EU migrants. Semi-skilled operative occupations also have a significant level of EU migrant employment. Only around a quarter of EU migrant workers in Yorkshire and the Humber are employed in higher skilled management, professional and associate professional occupations, much lower than the UK average of 35%.
- 2.28 Although lower-skilled occupations are where the direct impact of Brexit could be greatest in the form of disruption to labour supply, there could still be significant implications for skills. For example, some employers may decide to move to a more skills-intensive business model founded on capital investment in labour-saving equipment.
- 2.29 All employment and skills services, including all the activity summarised in this paper, is externally funded, time limited and constrained by the requirements of the funder/s. Within these constraints, skills products and services provided to businesses have been developed to help strengthen the support offer so that it remains relevant to the needs of businesses in the current climate. It remains important to work closely with firms in key sectors heavily reliant on European Economic Area (EEA) migrant workers to support their skills needs

and to make sure they have access to a local workforce that meets their labour needs.

3. Clean Growth Implications

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

4. Financial Implications

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

5. Legal Implications

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

6. Staffing Implications

6.1 There are no implications associated with this paper.

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 That the report of the work of the Employment and Skills Panel be noted.

8.2 Board members are asked for their help in raising awareness of the Apprenticeship Levy transfer service among their networks.

9. Background Documents

9.1 None.

10. Appendices

10.1 None.



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

Date: 16 January 2020

Subject: **Transport Fund Update**

Director: Melanie Corcoran, Director of Delivery

Author(s): Lynn Cooper

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

1 Purpose of this report

- 1.1 This transport fund update report concentrates on summarising the review that has been undertaken of the West Yorkshire plus Transport Fund and sets out the proposals for the revised funding and programme for all projects within that funding programme.
- 1.2 The position on the Growth Deal spend and forecast as a whole remains as reported at the November 2019 LEP Board meeting. An update will be provided at the February 2020 LEP Board meeting once Quarter 3 2019/20 data has been received.

2 Information

Background

- 2.1 The West Yorkshire plus Transport Fund commenced on 1 April 2015. This is a £1 billion programme funded as follows:

Funding Source	Amount (£) million
Local Growth Fund	600
Transport Majors	183
Local Contribution (borrowing)	217
Total	1000

- 2.2 The original funding programme included 33 named projects each with an allocated sum of funding which totalled £1.27 billion based on prices in 2012. As the funding programme has developed the original 33 projects have increased to 82 projects. This is as a result of funding programmes being developed and a number of original programmes have either been phased or have developed into separate individual projects (e.g. Corridor Improvement Programme, Station Gateways Programme, Rail Parking Package).
- 2.3 In 2018 the Investment Committee raised concerns that as projects were submitted for consideration through the assurance process the level of funding requested was often exceeding the funding allocation. There were various reasons for this including: cost increases, scope creep, scope change or revised scheme requirements. The funding programme is being actively managed and outputs and benefits remain as expected, but there was concern that the overall budget for the Transport Fund would be exceeded. Workshops were therefore held to consider options for addressing this issue and determine a way forward.
- 2.4 On 26 February 2019 a joint workshop of the Investment Committee and Transport Committee agreed that partner councils would be requested to prioritise projects and that following this further review would be undertaken to manage the programme within the funding envelope.
- 2.5 A joint exercise with district partners in West Yorkshire and York (through Directors of Development (DoD's) and Chief Highways Officers (CHO's)) has been undertaken to review and prioritise all projects in the Transport Fund.

Results of Transport Fund Review

- 2.6 The conclusion of this exercise was that, following review by each partner council, the level of funding required by each project was considered to be at a manageable level. Whilst it exceeds the funding available it is considered that a level of over-programming is reasonable at this stage because the Transport Fund is ongoing over a number of years and includes levels of risk in relation to possible underspend. The attached Appendix 1 summarises the Transport Fund projects setting out actual and forecast spend, and the revised funding required. It also identifies the quantified risk assessment (QRA) included within each project. The revised funding baselines for the Transport Fund give a programme of between £1.12 billion and £1 billion. This is in line with the original aspirations/agreements and are therefore affordable.
- 2.7 LEP Board is asked to note that there is still the commitment to borrow £217 million to meet the programme costs. The Combined Authority is building up a reserve to do so and the timing and costs of such borrowing is being reviewed

in the context of these baselines and will be included in the budget papers under preparation for the meeting of the February 2020 Combined Authority.

- 2.8 The Transport Fund faces the challenge of slower progress than agreed. Accurate forecasts of spend and a programme for submission of business cases at each decision point through the assurance process has proved challenging due to a variety of factors involved. To devise a way forward, a full review of all forecast spend and programme dates has been undertaken
- 2.9 The outcome of the review is that the following proposals should be agreed:
- (i) To fix a revised funding baseline allocation for each project. This amount is fixed and cannot be increased unless additional funding is sourced outside the Transport Fund or is considered to be acceptable at a future annual Transport Fund Review. Whilst these allocations represent maximum funding levels, they will be subject to approval through the Assurance Framework at the relevant Decision Points (Appendix 1).
 - (ii) To undertake an annual review of the Transport Fund to be carried out in June each year. The scope of this review will consider, for all projects: any increased requirement for funding; the QRA and risk of underspend; actual spend and forecast spend; and programme dates. Any future changes to the baseline figures will be dealt with either individually through the Assurance Framework at the relevant Decision Points or through a further report to the Investment Committee following the annual review. Reference will be made to how the change will be managed at the programme level to ensure it is still affordable within the revised overall baseline.
 - (iii) To over-programme to a percentage within the level of identified risk (QRA and other areas of possible underspend). This to be monitored annually as projects progress through the assurance process. Appendix 1 includes over-programming of just over 11% (£113.81 million) with QRA included within projects of £120.95 million. As the funding programme progresses the levels of underspend will be monitored, and over-programming levels may need to be adjusted.
 - (iv) Two new transport projects and some additional funding for existing projects were agreed as part of the Call for Projects approved by the Combined Authority in June 2018. These are now all included within the Transport Fund. The Combined Authority agreed that all projects within the Call for Projects should come forward at full business case by June 2020 and must spend by March 2021. It is proposed that this requirement should be waived for projects within the Transport Fund as Transport Fund funding is not required to be spent until 31 March 2035.
- 2.10 The review of the revised funding baselines for each project is included in the attached Appendix 1 and the review of the programme dates for each project is included in the attached Appendix 2.

- 2.11 There are a number of changes to the proposed funding baselines and programme dates. There are numerous reasons for these changes, including inflation, scope creep, scope change and / or revised scheme requirements. This reflects the usual ongoing development of projects and changes required following consultation and engagement, survey works, land assembly, detailed design and more detailed cost estimating.
- 2.12 Approval will be sought at the 06 February meeting of the Combined Authority, after a recommendation from the 09 January meeting of the Investment Committee for the revised baseline allocation for each project (Appendix 1 - Total Forecast Spend (£m) June 2019) and the revised programme dates for each project (Appendix 2).

3 Clean Growth Implications

Clean growth considerations and references to related activities have been embedded throughout the Assurance Framework and related internal governance documents and decision-making procedures. Building on the recent work to strengthen how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority's Assurance Framework (Decision point 1 and 2), the Combined Authority are now in the process of procuring expert advice to frame and develop a robust quantifiable methodology for assessing all new scheme's predicted carbon emissions / wider clean growth impacts. This will include a review of all existing Combined Authority schemes and additional resource to support the development and implementation of the new assessments. Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports.

4 Financial implications

- 4.1 The revised baseline allocation and the revised spend profiles for each project can now support a financial review of the programme and establish when borrowing will be required and the financial implications of this (the Transport Levy is collected for this purpose and held in a separate account). This information will be used to support the budget report that is considered by the Combined Authority in February each year.
- 4.2 Other financial implications are included within the body of the report.

5 Staffing implications

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

6 Legal implications

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

7 External consultees

- 7.1 No external consultations have been undertaken.

8 Recommendations

- 8.1 That the LEP Board notes the proposals set out in section 2.9 and the approval sought from the Combined Authority for the revised baseline allocation for each project (Appendix 1 - Total Forecast Spend (£m) June 2019) and the revised programme dates for each project (Appendix 2).

9 Background documents

- 9.1 None.

10 Appendices

- 10.1 Appendix 1 – Transport Fund Financial Spreadsheet
- 10.2 Appendix 2 – Transport Fund Schedules

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Transport Fund (Financial)

Note: projects have been categorised by project sponsor this is either the district partner or, where there are programmes which are cross all partners (eg. Corridor Improvement Programme) or rail (Rail Parking Package, Station Gateways) these have been kept together under a partnership category.

Programme	Original Baseline	Approved Funding	Spend to 31 March 2019 (£m)	Actual and Forecast Spend 2019/20 (£m)	Forecast Spend 2020/21 (£m)	Forecast Spend 2021/22 (£m)	Forecast Spend 2022/23 (£m)	Forecast Spend 2023/24 (£m)	Forecast Spend 2024/25 (£m)	Forecast Spend 2025/26 (£m)	Forecast Spend 2026/27 (£m)	Forecast Spend 2027/28 (£m)	Total Forecast Spend (£m) June 2019	QRA
Bradford														
A650 Hard Ings Road	N/A	10.25	9.33	3.61	3.46	2.18	0.08						9.33	0.79
A650 Tong Street	N/A	7.07	0.19	0.25	0.04	0.35	1.00	11.30	7.06				20.00	2.00
Bradford - Shipley Corridor Improvement	N/A	47.90	1.60	1.26	0.74	0.38	0.40	0.40	6.85	9.92	13.17	14.78	47.90	5.00
Harrogate Road / New Line Junction	N/A	4.92	2.88	2.80	2.17	2.68	0.02						7.67	
South East Bradford Link Road (Formerly SE Bradford Access Road)	N/A	46.31	0.09	0.14	0.03	0.30	0.60	0.60	0.75	11.90	16.00	15.98	46.30	4.60
		116.45	14.09	8.06	6.44	5.89	2.10	12.30	14.66	21.82	29.17	30.76	131.20	12.39
Calderdale														
A629 Phase 1A	A629	8.30	8.64	8.64									8.64	
A629 Phase 1B	A629	18.90	5.67	2.11	1.41	2.87	13.50	7.90	0.05				27.84	3.29
A629 Phase 2	A629	40.90	2.62	2.62	0.51	1.00	13.22	13.22	20.58				51.15	7.65
A629 Phase 4	A629	30.00	0.65	0.56	0.23	1.50	1.75	4.05	8.76	8.75	0.32		25.92	1.81
A641 Bradford - Huddersfield Corridor Improvements	N/A	75.55	0.73	0.27	0.42	0.63	0.63	0.50	0.78	24.00	25.00	23.31	75.54	23.32
		173.65	18.31	14.20	2.57	6.00	29.10	25.67	30.17	32.75	25.32	0.00	189.09	36.07
Kirkless														
A62 to Cooper Bridge (formally A62/A644)	N/A	69.27	0.75	0.73	0.48	0.80	2.35	2.50	28.27	22.89	11.28		69.30	18.56
A629 Phase 5	A629	10.00	4.42	1.17	0.71	0.39	2.53	4.59	1.03	1.61		0.06	12.09	3.57
M62 New Junction 24A on A641 Bradford Road, Huddersfield	N/A	18.51	0.07	0.04									0.04	
Mirfield to Dewsbury to Leeds (formally Leeds - Dewsbury Corridor)	N/A	12.50	0.54	0.21	0.33	1.85	8.50	1.61					12.50	1.56
		110.28	5.78	2.15	1.52	3.04	13.38	8.70	29.30	24.50	11.28	0.00	93.93	23.69
Leeds														
A6110 Leeds South West Outer Ring Road Improvements	N/A	17.80	0.29	0.03	0.24	0.28	0.45	4.00	4.99	2.00			11.99	0.03
A65 - LBIA Link Road (now known as the LBA Link Route) - currently a revised connectivity package for the airport and employment hub sites is being developed to include the proposed Parkway Station and associated highway linkages	N/A	35.69	1.79	1.39	0.25	0.15	0.45	1.50	11.15	21.00	14.50	14.00	10.61	75.00
Aire Valley - Leeds Integrated Transport Package	N/A	28.83	9.60	8.64									8.64	
ELOR Construction	Leeds ELOR and North	73.26	90.33	22.83	15.50	26.97	25.03						90.33	5.00
Leeds City Centre Network Improvements	N/A	36.50	3.77	1.68	0.75	8.90	14.86	20.00	20.61				66.80	10.02
NGT (project not progressing)	N/A	98.27											0.00	
		290.35	105.78	34.57	16.74	36.30	40.79	25.50	36.75	23.00	14.50	14.00	10.61	252.76
Partnership														
PROGRAMME: A629	A629	12.46											0.00	
PROGRAMME: Corridor Improvement Programme (Phase 1)	Corridor Improvement P	252.00	0.01										0.00	
PROGRAMME: Corridor Improvement Programme (Phase 2 and 3)	Corridor Improvement P	0.00		9.35	0.00	0.50	2.00	5.00	20.00	6.23	4.45		47.53	
Corridor Improvement Programme - Bradford - A6177 Great Horton Road - Horton Grange Road	Corridor Improvement P	0.00	0.31	0.27	0.41	1.75	1.78						4.21	0.18
Corridor Improvement Programme - Bradford - A6177 Thornton Road - Toller Lane	Corridor Improvement P	0.00	0.33	0.29	0.42	0.40	8.55						9.66	0.80
Corridor Improvement Programme - Calderdale - A58 - A672 Corridor	Corridor Improvement P	0.00	0.21	0.21	0.45	1.00	3.00	1.14					5.80	0.77
Corridor Improvement Programme - Calderdale - A646 - A6033 Corridor	Corridor Improvement P	0.00	0.15	0.15	0.41	1.00	3.00	0.39					4.95	0.85
Corridor Improvement Programme - Kirklees - A62 Smart Corridor	Corridor Improvement P	0.00	0.41	0.40	0.46	2.00	2.64	2.00					7.50	0.96
Corridor Improvement Programme - Kirklees - Holmfirth Town Centre	Corridor Improvement P	0.00	0.15	0.15	0.10	0.34	1.50	2.61	0.20				4.90	0.76
Corridor Improvement Programme - Kirklees - Huddersfield Southern Corridors	Corridor Improvement P	0.00	0.28	0.28	0.23	3.97	3.72						8.20	
Corridor Improvement Programme - Leeds - Dawsons Corner	Corridor Improvement P	0.00	0.52	0.52	0.30	4.38	9.28						14.48	1.11

Transport Fund (Financial)

Note: projects have been categorised by project sponsor this is either the district partner or, where there are programmes which are cross all partners (eg. Corridor Improvement Programme) or rail (Rail Parking Package, Station Gateways) these have been kept together under a partnership category.

Programme	Original Baseline	Approved Funding	Spend to 31 March 2019 (£m)	Actual and Forecast Spend 2019/20 (£m)	Forecast Spend 2020/21 (£m)	Forecast Spend 2021/22 (£m)	Forecast Spend 2022/23 (£m)	Forecast Spend 2023/24 (£m)	Forecast Spend 2024/25 (£m)	Forecast Spend 2025/26 (£m)	Forecast Spend 2026/27 (£m)	Forecast Spend 2027/28 (£m)	Total Forecast Spend (£m) June 2019	QRA	
Corridor Improvement Programme - Leeds - Dyneley Arms	Corridor Improvement P	0.00	0.27	0.27	0.15	1.55	0.51						2.48	0.22	
Corridor Improvement Programme - Leeds - Fink Hill	Corridor Improvement P	0.00	0.12	0.12	0.23	2.54	1.09						3.98	0.87	
Corridor Improvement Programme - Wakefield - A650 Newton Bar	Corridor Improvement P	0.00	0.14	0.14	0.19	2.00	5.00	3.98					11.31	0.72	
Corridor Improvement Programme - Wakefield - Owl Lane	Corridor Improvement P	0.00	0.54										0.00		
PROGRAMME: Rail Parking Package (Phase 1)	Rail Parking Package	31.50	1.70	1.21	0.30	0.27	2.62						4.40		
PROGRAMME: Rail Parking Package (Phase 2)	Rail Parking Package	0.00	2.02	0.33	0.31	1.12	3.00	3.00	5.00	5.00	5.57		23.33		
Rail Parking Package - Apperley Bridge	Rail Parking Package	0.00	0.11	0.00	0.11	0.60	0.49						1.20		
Rail Parking Package - Ben Rhydding	Rail Parking Package	0.00	0.15		0.02	1.58	0.48						2.08		
Rail Parking Package - Fitzwilliam	Rail Parking Package	0.00	0.70	0.49									0.49		
Rail Parking Package - Garforth	Rail Parking Package	0.00	1.13	0.04	1.09								1.13	0.08	
Rail Parking Package - Guiseley	Rail Parking Package	0.00	0.14			0.11	0.03	6.83					6.97		
Rail Parking Package - Hebden Bridge	Rail Parking Package	0.00	0.88	0.02	0.20	0.66							0.88	0.04	
Rail Parking Package - Mirfield A	Rail Parking Package	0.00	0.31	0.17	0.05								0.22		
Rail Parking Package - Moorhorpe	Rail Parking Package	0.00	0.11	0.02	0.23	0.83							1.08		
Rail Parking Package - Mytholmroyd	Rail Parking Package	0.00	3.95		1.58	2.37							3.95	0.10	
Rail Parking Package - Normanton	Rail Parking Package	0.00	0.00		0.26	1.18							1.44		
Rail Parking Package - Outwood	Rail Parking Package	0.00	0.14	0.05	0.16	0.75	0.58						1.54	0.35	
Rail Parking Package - Shipley	Rail Parking Package	0.00	0.00				2.55						2.55	0.00	
Rail Parking Package - South Elmsall	Rail Parking Package	0.00	0.67	0.60									0.60		
Rail Parking Package - Steeton and Silsden	Rail Parking Package	0.00	3.88		0.50	2.38	1.00						3.88	0.27	
PROGRAMME: Station Gateways	Station Gateways	50.00	0.00						5.56				5.56		
Bradford Forster Square Station Gateway	Station Gateways	0.00	3.67	0.36	0.18	0.44	2.00	10.00	4.34				17.32	1.70	
Bradford Interchange Station Gateway (Phase 1)	Station Gateways	0.00	0.29	0.20	0.06	0.16	1.40	1.50	2.33				5.65	0.85	
Castleford Station Gateway	Station Gateways	0.00	2.84	0.26	0.69	1.89							2.84		
Halifax Station Gateway	Station Gateways	0.00	1.11	0.56	0.59	0.75	0.63	4.00	4.00	0.07			10.60		
Huddersfield Station Gateway (Phase 1)	Station Gateways	0.00	0.12	0.01	0.17	0.24	0.44	0.64	0.75	3.25			5.50		
Huddersfield Station Gateway (Phase 2)	Station Gateways	0.00	0.05	0.05	0.01	0.01	0.01	0.01	0.02	0.05	4.84		5.00		
Leeds Station Gateway - Leeds Integrated Station Masterplan	Station Gateways	0.00	0.40	0.31	0.03	0.06							0.40		
Leeds Station Gateway - New Station Street	Station Gateways	0.00	0.73	0.72	1.40								2.12		
PROGRAMME: Transformational Schemes	Transformational Schemes	25.00	0.00			1.50	1.50	0.34					3.34		
Transformational - A6120 Leeds Northern Outer Ring Road Improvements	Transformational Schemes	0.00	0.39		0.19	0.20							0.39		
Transformational - Bradford Interchange Station Gateway (Phase 2)	Transformational Schemes	0.00	0.51	0.02	0.06	0.10	0.02			0.31			0.51		
Transformational - LCR Inclusive Growth Corridor Plans	Transformational Schemes	0.00	2.40	0.59	0.85	1.18	2.76	1.65					7.03		
Transformational - NE Calderdale Transformational Programme Study	Transformational Schemes	0.00	0.40	0.17	0.23								0.40		
Transformational - North Kirklees Orbital Route Feasibility Study	Transformational Schemes	0.00	0.25	0.13	0.10	0.02							0.25		
Transformational - South Featherstone Link Road Feasibility Study	Transformational Schemes	0.00	0.28	0.13	0.12	0.03							0.28		
Transformational - York Northern Outer Ring Road Dualling Feasibility Study	Transformational Schemes	0.00	0.30	0.27	0.03								0.30		
Calder Valley Line - Elland Station	N/A	20.00	2.13	0.46	0.46	2.57	4.00	8.17	2.65				18.31	1.68	
City Connect Cycle Ambition Programme **	N/A	0.00	0.13		0.18	0.37	2.00	8.48	1.02				12.05		
Leeds Inland Port	N/A	0.00	0.00		0.56	2.61							3.17		
Thorpe Park Station (formerly East Leeds Parkway)	N/A	10.06	0.50	0.29	0.00	0.00	2.50	2.50	1.50	0.62	2.64		10.05		
West Yorkshire Integrated UTMC	N/A	7.26	4.29	0.30	1.30	5.10	0.79						7.49	0.57	
		408.28	40.12	19.91	15.37	50.51	70.87	62.24	41.81	20.78	17.81	0.00	0.00	299.30	12.75

Transport Fund (Financial)

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Programme	Original Baseline	Approved Funding	Spend to 31 March 2019 (£m)	Actual and Forecast Spend 2019/20 (£m)	Forecast Spend 2020/21 (£m)	Forecast Spend 2021/22 (£m)	Forecast Spend 2022/23 (£m)	Forecast Spend 2023/24 (£m)	Forecast Spend 2024/25 (£m)	Forecast Spend 2025/26 (£m)	Forecast Spend 2026/27 (£m)	Forecast Spend 2027/28 (£m)	Total Forecast Spend (£m) June 2019	QRA	
Wakefield															
Castleford Growth Corridor formerly Castleford Northern Bypass	N/A	37.52	0.20	0.17	0.60	1.00	4.30	0.70	0.10				6.87	1.40	
Glasshoughton Southern Link Road	N/A	7.09	5.97	0.81	4.13	1.03							5.97	1.26	
Wakefield City Centre Package (Phase 1) Kirkgate	N/A	5.60	5.56	5.53	0.03								5.56		
Wakefield City Centre Package (Phase 2) Ings Road	N/A	3.16	0.27	0.07	0.20	1.68	2.45	0.13					4.53	0.31	
Wakefield Eastern Relief Road	N/A	29.42	37.59	35.91	0.73							0.95	37.59		
Pontefract Northern Bypass (funded elsewhere)	N/A	6.54	0.00										0.00		
		89.33	49.59	42.49	5.69	3.71	6.75	0.83	0.10	0.00	0.00	0.00	0.95	60.52	2.97

York															
York Central Access Road and Station Access Improvements	N/A	27.00	3.28	1.99	1.17	2.00	7.47	11.63	15.53				39.79	0.00	
York Northern Outer Ring Road	Northern Outer Ring Rd	37.60	2.45	2.00	0.45	0.49							2.94	0.00	
York Northern Outer Ring Road - Phase 1	Northern Outer Ring Rd	0.00	3.87	3.53	0.34								3.87	0.30	
York Northern Outer Ring Road - Phase 2	Northern Outer Ring Rd	0.00	3.59	0.04	0.06	0.88	2.61						3.59	0.29	
York Northern Outer Ring Road - Phase 3	Northern Outer Ring Rd	0.00	0.00	0.00	0.50	0.50	5.00	16.00	5.88				27.88	2.44	
PT Improvements 2 - City Centre Infrastructure	N/A	7.20	0.00	0.00	0.00	1.00	5.00	2.77					8.77	0.00	
A19 Bus Lane and access to Designer Outlet P&R Improvements (project not progressing)	N/A	1.93											0.00		
Clifton Moor Park & Ride and corridor improvements (project not progressing)	N/A	9.76											0.00		
		83.49	13.19	7.56	2.52	4.87	20.08	30.40	21.41	0.00	0.00	0.00	0.00	86.84	3.03

Overall Total															
Bradford	-	116.45	14.09	8.06	6.44	5.89	2.10	12.30	14.66	21.82	29.17	30.76	0.00	131.20	12.39
Calderdale	-	173.65	18.31	14.20	2.57	6.00	29.10	25.67	30.17	32.75	25.32	0.00	23.31	189.09	36.07
Kirklees	-	110.28	5.78	2.15	1.52	3.04	13.38	8.70	29.30	24.50	11.28	0.00	0.06	93.93	23.69
Leeds	-	290.35	105.78	34.57	16.74	36.30	40.79	25.50	36.75	23.00	14.50	14.00	10.61	252.76	30.05
Partnership	-	408.28	40.12	19.91	15.37	50.51	70.87	62.24	41.81	20.78	17.81	0.00	0.00	299.30	12.75
Wakefield	-	89.33	49.59	42.49	5.69	3.71	6.75	0.83	0.10	0.00	0.00	0.00	0.95	60.52	2.97
York	-	83.49	13.19	7.56	2.52	4.87	20.08	30.40	21.41	0.00	0.00	0.00	0.00	86.84	3.03
		1271.83	246.86	128.94	50.85	110.32	183.07	165.64	174.20	122.85	98.08	44.76	34.93	1113.64	120.95

Programmes															
A629	-	120.56	22.00	15.10	2.86	5.76	31.00	29.76	30.42	10.36	0.32	0.00	0.06	125.64	16.32
Corridor Improvement Programme (Phase 1)	-	252.00	3.44	2.80	3.35	20.93	40.07	10.12	0.20	0.00	0.00	0.00	0.00	77.47	7.12
Corridor Improvement Programme (Phase 2 and 3)	-	0.00	0.00	9.35	0.00	0.50	2.00	5.00	20.00	6.23	4.45	0.00	0.00	47.53	0.00
Leeds ELOR and North Leeds Outer Ring Road	-	73.26	90.33	22.83	15.50	26.97	25.03	0.00	0.00	0.00	0.00	0.00	0.00	90.33	5.00
Northern Outer Ring Road Improvements (York)	-	37.60	9.91	5.57	1.35	1.87	7.61	16.00	5.88	0.00	0.00	0.00	0.00	38.28	3.03
Rail Parking Package	-	31.50	15.89	2.93	4.81	11.85	10.75	9.83	5.00	5.00	5.57	0.00	0.00	55.74	0.83
Station Gateways	-	50.00	9.21	2.47	3.13	3.55	4.48	16.15	11.44	8.93	4.84	0.00	0.00	54.99	2.55
Transformational Schemes	-	25.00	4.53	1.31	1.58	3.03	4.28	1.99	0.00	0.00	0.31	0.00	0.00	12.50	0.00
Individual projects	-	681.91	91.55	66.58	18.27	35.86	57.85	76.79	101.26	92.33	82.59	44.76	34.87	611.16	86.10
		1271.83	246.86	128.94	50.85	110.32	183.07	165.64	174.20	122.85	98.08	44.76	34.93	1113.64	120.95

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Decision Point 1	Decision Point 2	Decision Point 3	Decision Point 4	Decision Point 5	Decision Point 6	Decision Point 7
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Bradford							
A650 Hard Ings Road	✓	✓	✓	✓	✓	30/06/2020	30/06/2021
A650 Tong Street	✓	✓	31/03/2020	30/07/2021	29/10/2021	29/03/2024	31/03/2025
Bradford - Shipley Corridor Improvement	✓	✓	31/12/2019	31/01/2022	31/08/2022	31/03/2027	31/03/2028
Harrogate Road / New Line Junction	✓	✓	✓	✓	31/12/2019	31/07/2020	31/03/2023
South East Bradford Link Road (Formerly SE Bradford Access Road)	✓	✓	31/12/2021	29/12/2023	29/02/2024	31/03/2027	31/03/2028

Calderdale							
A629 Phase 1A	✓	✓	✓	✓	✓	✓	31/12/2019
A629 Phase 1B	✓	✓	✓	01/02/2020	31/08/2020	29/04/2022	28/04/2023
A629 Phase 2	✓	✓	✓	30/06/2020	31/12/2020	29/09/2023	30/09/2024
A629 Phase 4	✓	✓	✓	30/12/2022	31/08/2023	30/05/2025	29/05/2026
A641 Bradford - Huddersfield Corridor Improvements	✓	28/02/2020	29/01/2021	29/12/2023	29/03/2024	31/12/2025	31/12/2026

Kirklees							
A62 to Cooper Bridge (formally A62/A644)	✓	✓	01/09/2020	01/10/2022	01/12/2022	01/05/2025	01/04/2026
A629 Phase 5	✓	✓	✓	01/06/2020	01/12/2020	01/04/2021	01/11/2024
Mirfield to Dewsbury to Leeds (formally Leeds - Dewsbury Corridor)	✓	✓	01/05/2020	01/12/2020	01/02/2021	01/07/2023	01/10/2023

Leeds							
A6110 Leeds South West Outer Ring Road Improvements	✓	✓	01/11/2020	30/09/2021	30/11/2021	31/10/2023	31/10/2024
A65 - LBA Link Road (now known as the LBA Link Route)	✓	✓	31/07/2020	30/08/2024	30/05/2025	31/12/2027	29/12/2028
Aire Valley - Leeds Integrated Transport Package	✓	✓	✓	✓	✓	✓	✓
ELOR Advance Juntions	✓	✓	✓	✓	✓	31/12/2019	31/12/2020
ELOR Construction	✓	✓	✓	✓	✓	31/01/2022	31/01/2023
Leeds City Centre Network Improvements - Armley Gyatory	✓	✓	✓	16/04/2020	30/11/2020	30/12/2022	29/12/2023
Leeds City Centre Network Improvements - Meadow Lane	✓	✓	31/01/2020	31/03/2020	29/05/2020	30/04/2021	29/04/2022
Leeds City Centre Network Improvements - City Square	✓	✓	✓	29/05/2020	31/05/2021	30/12/2022	29/12/2023
Leeds City Centre Network Improvements - Other Elements	✓	✓	✓	30/10/2020	31/05/2021	29/03/2024	31/03/2025
Leeds City Centre Network Improvements - Park Row / Infirmary Street	✓	✓	✓	31/12/2019	31/01/2020	30/10/2020	29/10/2021

Partnership							
Corridor Improvement Programme - Bradford - A6177 Great Horton Road -	✓	✓	✓	30/04/2020	30/09/2020	30/11/2020	31/01/2022
Corridor Improvement Programme - Bradford - A6177 Thornton Road - Toll	✓	✓	✓	31/07/2020	30/09/2020	26/02/2021	30/06/2022
Corridor Improvement Programme - Calderdale - A58 - A672 Corridor	✓	✓	✓	29/05/2020	31/07/2020	31/05/2022	31/05/2023
Corridor Improvement Programme - Calderdale - A646 - A6033 Corridor	✓	✓	✓	29/05/2020	31/07/2020	31/05/2022	31/05/2023
Corridor Improvement Programme - Kirklees - A62 Smart Corridor	✓	✓	✓	01/04/2020	30/07/2021	31/08/2021	31/01/2022
Corridor Improvement Programme - Kirklees - Holmfirth Town Centre	✓	✓	01/03/2020	01/09/2021	01/12/2021	20/12/2022	01/10/2023
Corridor Improvement Programme - Kirklees - Huddersfield Southern Corridor	✓	✓	✓	31/07/2020	31/08/2020	29/01/2021	31/01/2022
Corridor Improvement Programme - Leeds - Dawsons Corner	✓	✓	✓	30/10/2020	30/10/2020	31/01/2022	30/01/2023
Corridor Improvement Programme - Leeds - Dyneley Arms	✓	✓	✓	30/04/2020	30/06/2020	30/08/2020	30/11/2021
Corridor Improvement Programme - Leeds - Fink Hill	✓	✓	✓	30/09/2020	30/11/2020	31/03/2021	31/03/2022
Corridor Improvement Programme - Wakefield - A650 Newton Bar	✓	✓	✓	30/09/2020	30/10/2020	30/11/2021	30/11/2022
Corridor Improvement Programme - Wakefield - Owl Lane	✓	✓	✓	✓	✓	✓	31/12/2019
Rail Parking Package - Apperley Bridge	✓	✓	30/06/2020				
Rail Parking Package - Ben Rhydding	✓	✓	31/03/2020				
Rail Parking Package - Fitzwilliam	✓	✓	✓	✓	✓	31/12/2019	31/12/2020
Rail Parking Package - Garforth	✓	✓	✓	✓	✓	28/02/2020	26/02/2021
Rail Parking Package - Guiseley	✓	✓	31/03/2020				
Rail Parking Package - Hebden Bridge	✓	✓	✓	✓	✓		
Rail Parking Package - Mirfield A	✓	✓	✓	✓	✓	31/12/2019	31/12/2020
Rail Parking Package - Moorthorpe	✓	✓			31/01/2020		
Rail Parking Package - Mytholmroyd	✓	✓	✓	✓	✓		
Rail Parking Package - Normanton	✓	✓			28/02/2020		
Rail Parking Package - Outwood	✓	✓			28/02/2020	26/02/2021	28/02/2022
Rail Parking Package - Shipley	✓	✓			29/05/2020		
Rail Parking Package - South Elmsall	✓	✓	✓	✓	✓	31/12/2019	31/12/2020
Rail Parking Package - Steeton and Silsden	✓	✓	✓	✓	✓	30/10/2020	29/10/2021

Transport Fund (Schedules)

Decision Point 1	Decision Point 2	Decision Point 3	Decision Point 4	Decision Point 5	Decision Point 6	Decision Point 7
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Bradford Forster Square Station Gateway	✓	✓	✓	29/01/2021			
Bradford Interchange Station Gateway (Phase 1)	✓	✓	29/05/2020	30/06/2020	29/10/2021	29/03/2024	31/03/2025
Castleford Station Gateway	✓	✓	✓	✓	✓	30/10/2020	29/10/2021
Halifax Station Gateway	✓	✓	31/12/2019				
Huddersfield Station Gateway (Phase 1)	✓	✓	01/12/2019	-	01/04/2020	01/12/2022	01/12/2023
Huddersfield Station Gateway (Phase 2)	✓	✓	01/12/2019	-	01/04/2020	01/03/2025	01/03/2026
Leeds Station Gateway - Leeds Integrated Station Masterplan	✓	✓					
Leeds Station Gateway - New Station Street	✓	✓	✓	✓	✓	31/12/2019	31/12/2020
Transformational - A6120 Leeds Northern Outer Ring Road (Development)	✓	✓	✓	✓	✓	✓	✓
Transformational - Bradford Interchange Station Gateway (Phase 2)	✓	✓					
Transformational - LCR Inclusive Growth Corridor Plans (Development Onl	✓	✓	✓	✓	✓	✓	✓
Transformational - NE Calderdale Transformational Programme Study (Dev	✓	✓	✓	✓	✓	✓	✓
Transformational - North Kirklees Orbital Route Feasibility Study (Developm	✓	✓	✓	✓	✓	✓	✓
Transformational - South Featherstone Link Road Feasibility Study (Develo	✓	✓	✓	✓	✓	✓	✓
Transformational - York Northern Outer Ring Road Dualling Feasibility Stud	✓	✓	✓	✓	✓	✓	✓
Calder Valley Line - Elland Station	✓	✓	✓	30/11/2020	30/07/2021	29/12/2023	31/12/2024
City Connect Cycle Ambition Programme	✓	✓					
Leeds Inland Port	✓	✓	07/12/2019	01/03/2020	01/03/2020	01/05/2021	
Thorpe Park Station (formerly East Leeds Parkway)	✓	✓					
West Yorkshire Integrated UTMC (Phase A)	✓	✓	✓	✓	✓	31/03/2021	31/03/2022
West Yorkshire Integrated UTMC (Phase B)	✓	✓	✓	✓	✓	31/03/2021	31/03/2022
West Yorkshire Integrated UTMC (Phase C)	✓	✓	✓	31/12/2019	31/01/2020	31/03/2021	31/03/2022

Wakefield							
Castleford Growth Corridor formerly Castleford Northern Bypass	✓	✓	✓	30/11/2020	31/03/2021	31/03/2022	31/03/2023
Glasshoughton Southern Link Road	✓	✓	✓	✓	✓	31/08/2020	31/08/2021
Wakefield City Centre Package (Phase 1) Kirkgate	✓	✓	✓	✓	✓	31/12/2019	31/08/2021
Wakefield City Centre Package (Phase 2) Ings Road	✓	✓	30/06/2020	30/10/2020	30/11/2020	29/10/2021	31/10/2022
Wakefield Eastern Relief Road	✓	✓	✓	✓	✓	31/12/2019	31/12/2020

York							
York Central Access Road and Station Access Improvements (Access)	✓	✓	✓	✓	29/05/2020	31/03/2023	29/03/2024
York Central Access Road and Station Access Improvements (Frontage)	✓	✓	✓	✓	30/01/2020	31/03/2021	31/03/2022
York Northern Outer Ring Road - Phase 1	✓	✓	✓	✓	✓	29/04/2022	28/04/2023
York Northern Outer Ring Road - Phase 2	✓	✓	✓	✓	✓	29/04/2022	28/04/2023
York Northern Outer Ring Road - Phase 3	✓	✓	✓	31/01/2020	31/03/2020	29/04/2022	28/04/2023
PT Improvements 2 - City Centre Infrastructure	✓	28/02/2020	30/04/2020	31/07/2020	30/11/2020	28/02/2022	29/04/2022



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

Date: 16 January 2020

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 Board on the LEP's response to the *Strengthening LEPs* review and recommendations.

2. Information

2.1 Discussions are ongoing regarding the best way to meet the requirements of the Government's '*Strengthened Local Enterprise Partnerships*' review. An update will be provided at the meeting.

3. Clean Growth Implications

3.1 None as a result of this report.

4. Financial Implications

4.1 None as a result of this report.

5. Legal Implications

5.1 None as a result of this report.

6. Staffing Implications

6.1 There are no direct staffing implications as a result of this report.

7. External Consultees

7.1 None as a result of this report.

8. Recommendations

8.1 That the update be noted.

9. Background Documents

None.

10. Appendices

None.

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

Date: 16 January 2020

Subject: **Local Industrial Strategy**

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 development of a Local Industrial Strategy (LIS).
- 1.2 To consider the proposals to work collaboratively with the West Yorkshire and Harrogate Health Partnership on the developing health and growth agenda.

2. Information

- 2.1 As previously reported, a LIS is being developed for the LEP area that will focus on bold steps aimed at boosting productivity and driving inclusive and clean growth for a post-2030 economy. As discussed at the previous LEP Board, the general election and uncertainty around Brexit mean that the LIS will now be submitted to Government in early 2020. The proposed submission date is now March 2020 but is still subject to any confirmed changes in Government policy following the election.
- 2.2 The LIS will build on the success of the Strategic Economic Plan and set the direction for the next stage of the economic transformation. To reflect the changing economy and future challenges, it will sit within the Strategic Economic Framework (SEF), an agile, long-term strategic framework, incorporating a full range of policies and strategies across economic development and transport, reflecting the scale of our ambitions and priorities for the City Region and the urgent need to tackle the climate emergency.
- 2.3 Priorities for the LIS have been identified against the five foundations of productivity – People, Place, Infrastructure, Ideas and Business Environment. In addition, at the LEP Board away day in September there was strong support for focusing on the Ageing Society and AI and Data Grand Challenges but with reference to the region’s contribution to meeting the other two challenges. These priorities are now being developed into a full narrative.

- 2.4 Throughout the development process, health has been identified as key to the productivity challenge and an area of distinctiveness for the region. The health sector is a major employer in the city region, with significant clusters of technology-focused firms driving innovative approaches to health and medicine that could significantly enhance both lives and productivity. Relatively poor health outcomes are a significant impediment to regional productivity, and our ambitions for the environment, place-making and culture are key to the improving this situation. Embracing both the opportunities and challenges of this is central to our ambition to ensure this Strategy drives economic growth that delivers opportunity and enhancements to quality of life for everyone. It is therefore proposed that the LIS will contain a central big idea - *“Healthy lives that improve wellbeing and productivity”*.
- 2.5 In parallel, the West Yorkshire and Harrogate (WYH) Health Partnership have been developing the WYH 5 Year Strategy for Health and Care, and in particular developing an approach to Improving Population Health.
- 2.6 On 21 October, the WYH Partnership and the LEP hosted a roundtable for senior leaders across the WYH Senior Leadership Executive, LEP Inclusive Growth and Public Policy Panel and officers involved in developing the LIS to discuss our regional ambitions for health and growth. The City Region is the first in the country to host senior-level discussions across both strategies.
- 2.7 Several areas were identified where action could be further aligned without the need for significant further investment, in addition to areas where we might want to develop ambitions. The meeting identified four broad areas of shared interest where we could use collaborative delivery of these two key regional strategies to maximise impact. These were discussed and supported at the WYH Health Partnership Board on 3 December, and are included here for discussion, comment and further refinement.
- 2.8 **Life-Led** - To be a region that understands and invests in lifetime health, both for our current population and for future generations. This means that we are serious about people’s lives being at the centre of our ambitions for regional growth and wellbeing.
- a) To be a regional centre for applied research into the factors that determine health
 - b) To use our strengths in health and social science to attract further investment in research and focus on translating the evidence into actionable policy and practice
 - c) To accelerate and mainstream our learning on community-led solutions and invest in the outcomes that deliver long term, sustainable wellbeing for future generations
- 2.9 **Climate** - To become a leader in responding to climate emergency:
- a) **Through mitigation** - reducing carbon through our buildings, our supply chains, how we travel and how we use digital technologies
 - b) **Through investment** - encouraging innovation, rethinking and developing climate friendly products and practices throughout our

health and care system, investment in clean transport, green infrastructure and active travel

- c) **Through culture change** - supporting the workforce to respond with practical changes, and ideas for more climate-friendly ways of working

- 2.10 **Good Work** - There is strong evidence that shows good work drives good health, and good health enables good work. We should use our key strategies to focus our regional efforts on being:
- a) **Well Skilled** – Maximise connections between the ambitions of the Local Workforce Action Board and the regional Employment and Skills Panel. Better join up our approaches to apprenticeships and lifelong skills development, targeting areas of growth or shortage in our health and care sector.
 - b) **Working Well** – Increase the opportunity for people with long term conditions, physical, sensory or learning disabilities or mental health conditions to work and achieve their potential, through providing better tailored support to remove the barriers to employment.
 - c) **Well Work Places** – Work with employers and lead by example to ensure that our workplaces actively promote physical and mental wellness and provide flexible working conditions.

- 2.11 **Ageing Well** - Focus on the strengths our older population brings to the region and co-produce with them the ideas and solutions to ageing well in our region.
- a) **Designed for Life** – To ensure that lifetime health is designed into future spatial plans, housing developments and public realm changes
 - b) **Ageing well** – Promote and support wellbeing opportunities for people to age well through increased access to physical activity, opportunities for mental stimulation, and giving everyone the opportunity to spend time doing something they are passionate about.
 - c) **Independent Ageing** - Innovate and support tech-enabling solutions for independent health living and socialising
 - d) **Rethinking Ageing** - Rethink and redesign the jobs, skills, infrastructure and funding needed for an ageing society to age well

Process and Key Milestones

- 2.12 LISs need to be underpinned by robust evidence that draws out relative strengths and weaknesses, with an emphasis on productivity. The draft economic analysis was completed in the summer and is now being finalised to support the policy priorities and narrative.
- 2.13 Wide ranging consultation has been undertaken as part of the development, with over 1000 people taking part in over 70 consultation and engagement activities. This has had a significant influence on identified priorities. For example, consultation has driven
- A focus on identifying positive productivity-focused business behaviours, rather than solely focusing on specific sectors.
 - The identification of priority Grand Challenges, through expert input from universities.

- Increased emphasis on higher level skills, including a specific priority on developing leadership skills to support innovation and ‘good growth’.
- Specific reference to economic disruptors that will require distinct re/upskilling needs, e.g. clean growth-related technological changes.

A full summary of this activity is provided at Appendix 1.

2.14 Key milestones for the development of the LIS are:

- ✓ Initial call for evidence completed May
- ✓ Initial economic evidence report complete June
- ✓ Initial stakeholder engagement completed August
- ✓ Second call for evidence completed July
- ✓ Headline economic evidence report published August
- ✓ Draft policy proposals completed August
- ✓ Consultation and engagement on draft proposals October/November
- ✓ LIS drafted and tested November/December
- Further refine of draft to reflect emerging Government priorities and ongoing discussions during Spring 2020
- Final economic evidence report published Spring 2020
- LIS finalised and submitted to Government March 2020
- LIS published Summer 2020 (subject to agreement with Government)

3. Clean Growth Implications

3.1 Clean growth is a cross cutting theme within the LIS and as such is being embedded into the priorities and narrative.

4. Financial Implications

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

5. Legal Implications

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

6. Staffing Implications

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

7. External Consultees

7.1 A programme of external engagement has been undertaken to inform the development of the Local Industrial Strategy.

8. Recommendations

8.1 That the LEP Board notes the progress made.

8.2 That the LEP Board agrees the proposal to work collaboratively with the West Yorkshire and Harrogate Health Partnership on the developing health and growth agenda, across the areas outlined in paragraphs 2.8 to 2.11.

9. Background Documents

9.1 None

10. Appendices

10.1 Appendix 1: Summary of Consultation

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LEEDS CITY REGION LOCAL INDUSTRIAL STRATEGY SUMMARY OF CONSULTATION

The formation of the draft Local Industrial Strategy (LIS) priorities and interventions have been built upon significant consultation over **nine months** during 2019, taking in the views and opinions of over **1000 people**, at over **70 events**. We have held **2 open meetings and online consultations**, open to all, visited **three schools**, spoken to over **80 young people** in four classes.

Consultation has been conducted in two parts:

Phase 1: Formation of priorities based upon the evidence base collated from external research commissions, economic assessment of the region, challenge from the LIS Expert Panel, BEIS analytical support, external consultation and a call for evidence, as well as as raising awareness of the LIS via social media, the press and inviting feedback online.

Phase 2: Testing priorities and refining these through a series of consultation events with LEP Board and Panel members, businesses; business representative groups such as the Chambers of Commerce and Federation of Small Businesses; universities; local authorities; District level economic and business partnerships; sector groups; and community and citizen groups, including schools. Further online engagement via social media and online consultation.

A key theme has been the requirement for strong ambition for the region, both in terms of the proposals and interventions put forward and the language used within the final document itself.

Expert Panel | Phase 1 and 2

An Expert Panel was established to support the development of the evidence base, review and challenge findings of LIS research commissions and provide expert advice on implications for policy making. The Panel has met three times and covers both North Yorkshire and West Yorkshire geographies. They have been instrumental in maintaining focus on inclusive productivity at the heart of the LIS narrative, and on retaining a clear line of sight to the levers and mechanisms available to drive and effect improved outcomes.

The Panel have consistently advocated the need to ensure that skills policy balances supply and demand, as well as the need to promote skills development appropriately and pragmatically to ensure that all sections of the community have the opportunity to engage in the future economy.

Online Engagement | Phase 1 and 2

Two online engagement campaigns were undertaken, supported by videos and social media activity, directing users to complete the online surveys. The videos had been viewed over 1,200 times and messages seen by over 4,000 people. Overall responses were supportive of the approach proposed.

Young People | Phase 1 and 2

Engagement with young people was undertaken to understand their ambitions for the region. 80 young people aged 12 - 16 took part in four focus groups, providing valuable insight into the priorities of the next generation and affirming the key themes resulting from broader consultation.

In particular, across all groups, young people were most passionate on issues of place, routinely citing issues of homelessness, antisocial behavior and the need for better infrastructure and amenities to allow them to better enjoy their local environment. Some were more aware of transport links available to them than others, although all had a strong preference for active travel over traditional networks. Ambition and aspiration go hand in hand with creativity and innovation for the next generation, affording more opportunities to make a positive contribution to society.

Local Authority Partners | Phase 1 and 2

We have consulted and engaged with local authorities across Leeds City Region, including overlapping geography authorities. Each district has had the opportunity to discuss and debate the priorities and emerging themes, at both officer and elected member levels. The narrative reflects their views, and takes on board specific concerns and priorities, such as the inclusion of culture and leisure, a focus on appropriate future ready skills training, and working proactively towards a zero carbon economy.

University Expertise | Phase 1 and 2

We have consulted extensively with the Universities on the development of the LIS priorities for people, business environment and ideas, particularly via Yorkshire Universities and the Yorkshire Universities Industrial Strategy Steering Group (ISSG).

The ISSG has also led on work to map our research strengths against the Government's grand challenges - coupled with industry strengths, AI and Data and Ageing Society have emerged as the two strongest challenges for LCR to focus on.

LEP Board Away Day | Phase 2

At the LEP Board away day in September members reviewed the draft LIS priorities and the overarching Big Idea: *"Healthy lives that improve wellbeing and productivity..."*. Members challenged that this needed to connect more effectively to the priorities within the five foundations, drawing focus on mental health and general wellbeing as catalysts for improved productivity and quality of life.

There was strong support for focusing on the Ageing Society and AI and Data Grand Challenges as the region is able to play a leading role on these challenges (rather than simply contributing to them) through existing assets.

Following the away day, the priorities have been further developed and tested through phase two of consultation 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.

Stakeholder Engagement | Phase 2

The testing of the draft priorities throughout phase 2 of consultation has clarified much of the ambition to effect a more inclusive, productive society, with almost all groups consulted with pushing for more ambition, more challenging targets and more pace in delivery.

Report to: LEP Board

Date: 16 January 2020

Subject: **Review of Inclusive Growth for Business Grants**

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

Author(s): Lorna Holroyd

1. Purpose of this report

- 1.1 To update the Board on the effectiveness of securing inclusive growth commitments from recipients of LEP business grants.
- 1.2 To endorse the continued implementation of the inclusive growth criteria, and associated commitments, for all business support programmes with a grant element.

2. Information

Background

- 2.1 Inclusive growth means allowing everyone in the Leeds City Region to be able to contribute to and benefit from wealth creation, enjoy the benefits of a strong economy and enjoying a decent standard of living. As part of the West Yorkshire Combined Authority and the LEP's commitment to creating an economy that works for everyone, inclusive growth criteria have been developed for recipients of business grants from the LEP's various business support programmes.
- 2.2 The criteria was introduced for applicants to the Business Growth Programme (BGP) in July 2018 and in July 2019 was extended to recipients of grants across all programmes. The new criteria is outlined in **Appendix 1** and incorporates incentive-based criteria linked to the Real Living Wage for all programmes which create jobs, thus building on the success of the BGP experience to date. It also extends the list of inclusive growth commitments to the wider range of programmes with a grant element and includes a lower threshold (£25,000 and above) at which grant-recipients will be asked to make commitments as a condition of the grant award.
- 2.3 Those businesses receiving grants of between £10,000 and £24,999 are now expected, and supported, to deliver one commitment, but it is not mandatory, and there is no expectation on those receiving grants below £10,000.

- 2.4 The LEP currently delivers nine business support programmes with grant elements for businesses, and these are listed in **Appendix 2**. Across these programmes, 239 grants were approved in 2018/19, and 130 have been approved to date in 2019/20 (to 30 November 2019), which demonstrates the high volume of transactions and businesses supported.

Review of initial effectiveness – Real Living Wage

- 2.5 Prior to the introduction of the revised criteria, analysis of BGP grants awarded in the previous 12 months (June 2017 to June 2018) showed that **58% of the jobs created** as a condition of the grants were paying the Real Living Wage or above.
- 2.6 Since the introduction of the new criteria in July 2018, 145 BGP applications have been approved. These applications are linked to the creation of 747 new jobs, 601 of which are proposed to pay above the Real Living Wage. This represents **80% of all of the jobs to be created** via the investment projects to be supported on BGP. So far, 280 of these jobs have been created, 249 (89%) of which are paying at least the Real Living Wage, and this will continue to be closely monitored as the supported projects progress and the associated jobs are filled.
- 2.7 It is a requirement of recipients of the Digital Inward Investment Fund (#Welcome) and the Digital Investment Fund (#Grow) that all jobs must pay at least the Real Living Wage.
- 2.8 There have been two approvals for grants through the Strategic Inward Investment Fund since the introduction of the revised criteria in July 2019, collectively creating 184 new jobs, all paying at least the Real Living Wage.

Review of initial effectiveness – inclusive growth commitments

- 2.9 A summary of the commitments obtained to date across each programme with a grant element is provided in table 1.
- 2.10 The criteria has been a mandatory requirement of recipients of BGP grants of £50,000 or above since 31 July 2018.
- 2.11 The criteria has been a mandatory requirement of recipients of grants of £25,000 or above across all programmes with a grant element, and a voluntary ask of businesses receiving a grant of between £10,000 and £24,999 since 1 July 2019.

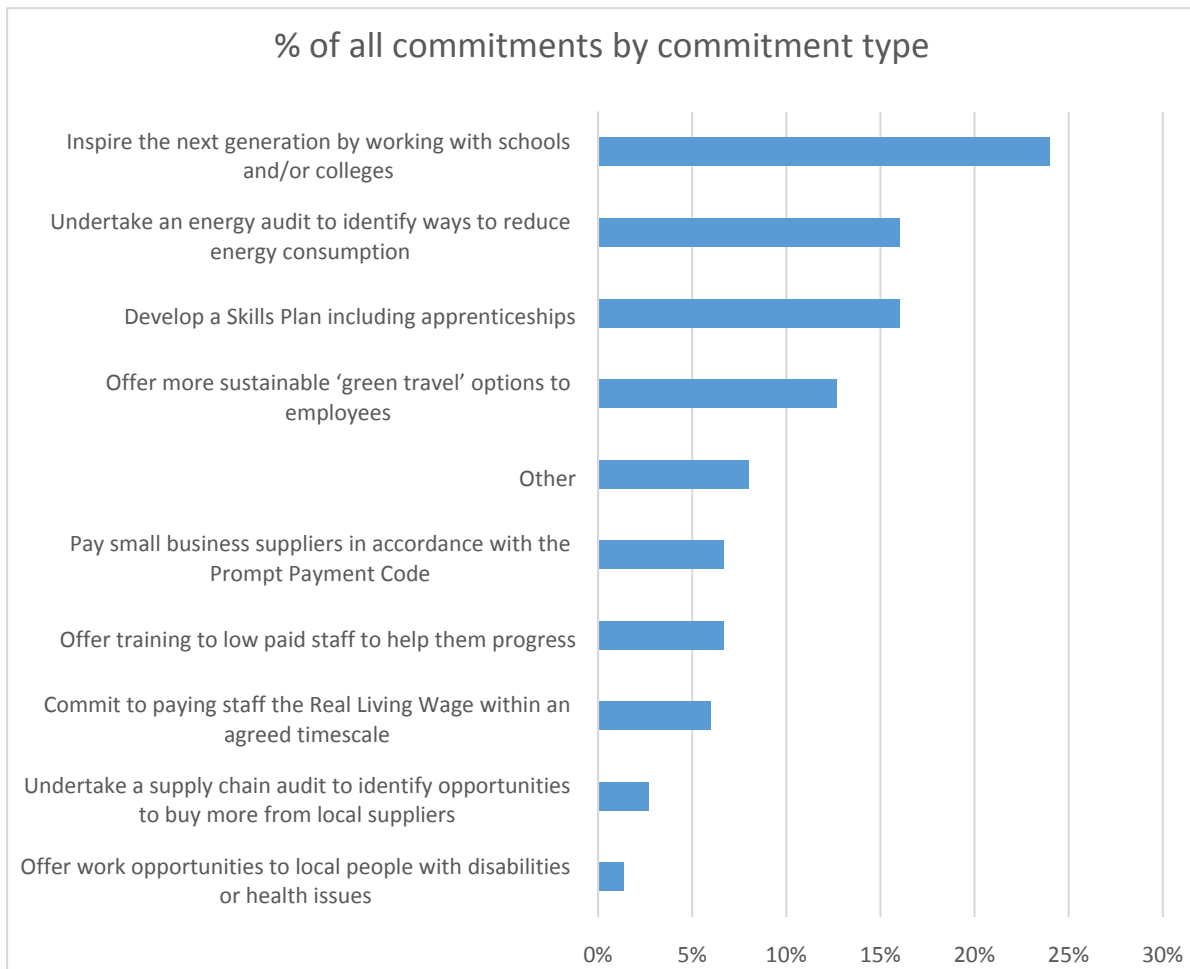
Table 1: Number of inclusive growth commitments by programme

Programme	Total number of commitments since introduction of Inclusive Growth criteria	No. of mandatory commitments obtained from businesses	No. of voluntary commitments obtained from businesses
Access Innovation	9	1	8
Business Growth Programme	103	96	7
Productivity Pilot	9	8	1
Strategic Business Growth	1	1	0
Strategic Inward Investment Fund	12	8	4
#Grow	10	9	1
#Welcome	6	4	2
Total	150	127	23

2.12 A summary of the number of each commitment obtained to date is provided in table 2.

Table 2: Number of inclusive growth commitments by commitment type

Commitment	Number	Percentage of all commitments
Inspire the next generation by working with schools and/or colleges	36	24%
Develop a Skills Plan including apprenticeships	24	16%
Undertake an energy audit to identify ways to reduce energy consumption	24	16%
Offer more sustainable 'green travel' options to employees	19	13%
Other	12	8%
Offer training to low paid staff to help them progress	10	7%
Pay small business suppliers in accordance with the Prompt Payment Code	10	7%
Commit to paying staff the Real Living Wage within an agreed timescale	9	6%
Undertake a supply chain audit to identify opportunities to buy more from local suppliers	4	3%
Offer work opportunities to local people with disabilities or health issues	2	1%
Total	150	100%



2.13 Of commitments agreed with businesses to date, the highest number are for working with schools and/or colleges (24%), followed by developing a skills plan and undertaking an energy audit to identify ways to reduce energy consumption (both 16%).

2.14 Informal feedback from businesses has been positive to date, with the majority being receptive to the new approach. As perhaps expected, the smaller businesses have been those that have expressed some concern related to their more limited resources to implement the commitments.

2.15 Payment of the Real Living Wage has been the main challenge reported for businesses since the new approach has been implemented, particularly for those operating in lower value sectors, and/or, in geographical areas where average wages are lower than the City Region average. These are often more disadvantaged areas, so the decision to adopt a two-tier grant rate has been beneficial to avoid an outright exclusion of certain firms in these locations from grant support.

Case studies

2.16 Below are some brief examples of businesses that have received grants and contributed to inclusive growth. There are many others across the range of

commitments, but these provide pen portraits of the business contribution.

- 2.17 A Leeds-based business that has received an Access Innovation grant has committed a member of staff to becoming an Enterprise Advisor. The business will be working with a local school to help develop its enterprise curriculum.
- 2.18 A manufacturer from Kirklees that has accessed a Business Growth Programme grant has become an accredited Real Living Wage Foundation employer.
- 2.19 A recipient of a Digital Inward Investment Fund (#Welcome) grant has offered a scholarship to someone from an underrepresented group.

3. Clean Growth Implications

- 3.1 Two of the commitments relate to businesses undertaking activity which has positive environmental benefits; looking at ways to reduce energy consumption and offering more sustainable green travel options to employees.
- 3.2 To date, 24 businesses have committed to undertaking an energy audit to identify ways to reduce energy, water and waste use and 19 businesses have committed to offering more sustainable green travel options to employees.

4. Financial Implications

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

5. Legal Implications

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

6. Staffing Implications

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

7. External Consultees

- 7.1 No external consultations have taken place. However, a sub-group of the Overview and Scrutiny Committee has been established with a focus on business grants, including the effectiveness of the inclusive growth criteria. It is also being considered as part of an external evaluation of the BGP, which is currently underway with a full report expected in December 2019.

8. Recommendations

- 8.1 That the Board welcomes the good progress to date on the implementation of the inclusive growth criteria for recipients of business grants.
- 8.2 That the criteria, and associated commitments, continue to be implemented across all business support programmes with grant elements.

9. Background Documents

None.

10. Appendices

Appendix 1 – Revised inclusive growth criteria, effective from 1 July 2019

Appendix 2 – List of LEP grant programmes and their potential contribution to inclusive growth

Appendix 1 - Inclusive Growth Criteria

A. Job Creation: Real Living Wage Incentive

The Leeds City Region Enterprise Partnership (LEP) is incentivising business to pay the 'Real Living Wage' through its grant programmes. For grants where jobs are created, there is an incentive to pay the 'Real Living Wage' as set out below.

Recipients are expected to meet certain core criteria according to the purpose of each grant scheme, including as a minimum:

- Investment projects must create permanent new jobs in the Leeds City Region
- Applicants are incentivised to employ staff paying the Real Living Wage or above (currently £9 per hour), by allocating more grant per new job for those paying that rate
- All new jobs funded by the LEP grant must be paid at least the National Living Wage or Minimum Wage (£8.21 per hour from age 25+ as of April 2019)
- Apprenticeship jobs are permissible, but applicants are expected to pay the apprentice at least the National Minimum Wage appropriate for the age of the apprentice (rather than the lower National Apprenticeship Wage)
- For each new job created, the following maximum amounts will be available to the applicants:

Pay rates for new jobs created with LEP grant	Maximum per new job
Real Living Wage (currently £9 per hour)	£12,500
National Living/Minimum Wage (currently £8.21 per hour)	£7,500
Apprenticeships paying at least the National Minimum Wage for the age of the apprentice (and not the lower National Apprenticeship Wage)	£7,500

B. Inclusive Growth Commitments

Businesses receiving grants are also expected to deliver additional Inclusive Growth commitments as outlined below:

- Inspire the next generation by working with schools and/or colleges
- Develop a Skills Plan including Apprenticeships
- Offer training to low paid staff to help them progress
- Offer work opportunities to local people with disabilities or health issues
- Offer more sustainable 'green travel' options to employees
- Undertake an energy audit to identify ways to reduce energy consumption
- Undertake a supply chain audit to identify opportunities to buy more from local suppliers

- Pay small business suppliers in accordance with the Prompt Payment Code - <http://www.promptpaymentcode.org.uk/> - including a commitment to pay all suppliers within 60 days and to commit to 30 days as the norm.
- Commit to paying staff the Real Living Wage within an agreed timescale
- Other inclusive growth commitments bespoke to the company's own policies, considered sufficient by the Combined Authority.

The required commitment varies depending on the level of grant awarded:

- For grants from £10,000 - £24,999, the applicant is expected to adopt **one or more** of the commitments (non-mandatory).
- For grants from £25,000 - £49,999, the applicant is expected to adopt **one or more** of the commitments (as a grant condition).
- For grants from £50,000 - £99,999, the applicant is required to adopt **two or more** of the additional commitments (as a grant condition).
- For grants from £100,000 - £249,999, the applicant is required to agree to **three or more** of the additional commitments (as a grant condition).
- For grants over £250,000, the applicant is required to agree to **four or more** of the additional commitments (as a grant condition).

Appendix 2 – Application of Inclusive Growth to Leeds City Region Enterprise Partnership (LEP) Grant Programmes

Grant Scheme	Purpose	Range of grant awards	Value and number of grants approved (April 18 – March 19)	Value and number of grants approved (April 19 - November 19)	Primary outputs / outcomes	Covered by Real Living Wage criteria	Covered by Inclusive Growth commitments
Business Growth Programme	Provides capital grants to businesses within priority sectors that enable them to grow and create new jobs.	£10,000-250,000	£4,397,368 (85 grants)	£2,894,680 (68 grants)	Jobs created	Yes	Yes
Access to Capital Grants (A2CG) 49	Provides capital grants to SME businesses with projects linked to innovation, digital, supply chain and start-up. Also provides funding for the grant element of Strategic Business Growth and part funds the grant element of Access Innovation.	£10,000-£100,000	£1,075,323 (38 grants) Grants for Strategic Business Growth and Access Innovation listed under respective programmes	N/A Grants for Strategic Business Growth and Access Innovation listed under respective programmes	Jobs created	Yes	Yes
Strategic Business Growth	Provides capital grants to high growth SME businesses engaging with the advisory support element of the Strategic Business Growth programme.	£10,000-£40,000	£737,255 (29 grants)	£14,907 (1 grant)	Jobs created Businesses achieving high growth	Yes	Yes

Grant Scheme	Purpose	Range of grant awards	Value and number of grants approved (April 18 – March 19)	Value and number of grants approved (April 19 - November 19)	Primary outputs / outcomes	Covered by Real Living Wage criteria	Covered by Inclusive Growth commitments
Resource Efficiency Fund	Provides financial support to SME businesses for capital investment projects that lead to reductions in use of energy, water and waste.	£1,000-£10,000	£246,910 (42 grants)	£170,160 (32 grants)	Tonnes of CO2e (equivalent) saved Businesses supported to improve resource efficiency	N/A (primary output is CO2e savings)	Yes
Access Innovation 50	Provides grants to SME businesses developing new products and processes.	£1,000-£50,000	£1,380,049 (37 grants)	£110,980 (15 grants)	New products & processes developed Jobs created	Yes	Yes
Strategic Inward Investment Fund	Provides capital grants to businesses investing in the Leeds City Region that are creating at least 50 new jobs.	£180,000-£1m	£1,000,000 (1 grant)	€200,000 (1 grant)	New jobs created / safeguarded Inward investment into LCR	Yes	Yes
Digital Inward Investment Fund (#Welcome)	Provides capital grants to digital businesses investing in the Leeds City Region that are creating at least 5 new jobs.	£10,000-£50,000	£196,500 (5 grants)	£92,500 (2 grants)	Jobs created Inward investment into LCR	Yes	Yes

Grant Scheme	Purpose	Range of grant awards	Value and number of grants approved (April 18 – March 19)	Value and number of grants approved (April 19 - November 19)	Primary outputs / outcomes	Covered by Real Living Wage criteria	Covered by Inclusive Growth commitments
Digital Investment Fund (#Grow)	Provides capital grants to digital businesses growing in the Leeds City Region that are creating at least 1 new job.	£10,000-£50,000	N/A	£229,476 (6 grants)	Jobs created	Yes	Yes
Apprenticeship Grant for Employers	Supports SME businesses to recruit individuals into employment through apprenticeships.	£2,000-£2,500	£3,500 (2 grants)	£11,000 (5 grants)	Apprenticeship starts Businesses taking on first apprentice	Yes *	N/A (under proposed threshold)

* the grant is only available to businesses that pay the National Living Wage for the age of the apprentice, and not the lower Apprenticeship Living Wage

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

Date: 16 January 2020

Subject: **Economic reporting and Brexit assessment**

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

Author(s): James Hopton, Patrick Bowes

1. Purpose of this report

- 1.1 To provide an update on the latest economic and business intelligence for the Board, and to update the Board on the latest activity and intelligence around Brexit.

2. Information

- 2.1 This report presents recent developments in the global, national and local economy. The report is produced on a regular, quarterly basis. As such the latest available version will be presented to each Panel meeting. The report presented here is an updated version of the November report, taking into account recent developments.

2.2 Brexit update

- 2.2.1 At the request of the Cities and Local Growth Unit (CLGU), the Growth Service have been leading on the gathering and co-ordination of Brexit-related intelligence on behalf of the Yorkshire & Humber region. HM Government have identified a lead Growth Hub has been identified to co-ordinate activity across each region, with the Leeds City Region Growth Service the lead Growth Hub for Yorkshire & Humber. This is in addition to the wider work the Combined Authority is engaged in along with district partners to prepare for EU via the Local Resilience Forum.

- 2.2.2 HM Government have provided additional resource to Growth Hubs, via the cluster lead in each region, to facilitate enhanced activity around Brexit. This includes enhanced communications activity, and an increased focus on the gathering and reporting of intelligence and activity in relation to preparations for the UK's EU exit particularly around general attitudes to Brexit and business preparedness, technical issues facing certain sectors / businesses, and information on new opportunities and investments.

- 2.2.3 Following the general election and subsequent passing of the Withdrawal Agreement Bill in Parliament, there is a greater degree of clarity on the future path on Brexit and the risk of significant disruption has been removed in the near-term. Following the election the expectation is that the UK will leave the EU on 31st January with a transition agreement, followed by negotiation of a trade deal during 2020. There are signs that markets and businesses have responded positively to this. However, the negotiation over the future trading relationship with the EU will have significant implications for many businesses and the nature of those future relationships remains highly uncertain.
- 2.2.4 As such, negotiations of the future trading relationship will be closely watched. Work is ongoing to ensure that the available business support products enable the LEP to respond effectively and enable businesses to prepare for the future trading environment. Work is underway to develop a new portal website for businesses who are looking for support and advice on what they need to do to get ready for Brexit.
- 2.2.5 Analysis of the latest Quarterly Economic Survey with the Chambers of Commerce suggests there has been a further fall in the proportion of businesses saying they were not confident they were prepared to withstand a no deal scenario, down to 11% in Q4, from 13.5% in Q3 and 16% in Q1 2019.
- 2.2.6 Just over half (51%) of companies surveyed in the QES said they were confident or very confident in their Brexit preparations in Q4. However, there was a sharp fall in those saying they were very confident, from 23% in Q3 to 5% in Q4.
- 2.2.7 Whilst relatively limited as the level of activity lessened slightly during the election period, those businesses who have offered a view have reported feeling they have done all they can to prepare, whether through stockpiling or other contingencies to ensure supply in the event of disruption. However, others in recent weeks have reported issues such as a hesitancy for some overseas clients to place orders whilst there are also concerns in some sectors over the recruitment and retention of staff after the UK's exit.

2.3 Main national and international headlines

The main national and international headlines include:

- Global trade and geopolitical tensions have increased throughout 2019. This has contributed to increasing uncertainty in the global trading system, which is a large contributor to the weak growth rate of the global economy.
- The global economy is now projected to grow by only 3% in 2019 according to the International Monetary Fund. This would represent the lowest growth since 2008-09.
- UK GDP growth was flat in the three months to October, following growth of 0.3% in Q3 according to the Office for National Statistics. This growth was entirely driven by the service sector, with production output declining.

- The Eurozone maintained its growth rate at 0.3% in Q3, though performance among member countries was mixed with France exceeding expectations and Germany in the midst of a slowdown.
- The USA's GDP growth rate beat the expected to growth rate of 0.4%, growing at a rate of 0.5% in Q3 2019.
- There were 32.8 million people in work in the three months to October, according to ONS, an increase of 24,000 on three months earlier. The employment rate remains at a joint record high of 76.2%. The unemployment rate also remains at a record low of 3.8%.
- UK PMI surveys point to falling activity across all of the manufacturing and construction sectors, though performance in services stabilised in December.

2.4 Leeds City Region economic headlines

For Leeds City Region, the key headlines include:

- There was an increase in business confidence in Q4 according to the QES, despite the uncertainty of a general election. Businesses were more confident about their profitability and cash flow situation, perhaps reflecting the lower immediate risk of a no deal Brexit.
- Domestic activity has rebounded, which has likely helped the recovery in confidence. Export activity remains subdued, however. Whilst Brexit is likely part of the explanation, the broader slowdown in activity internationally is also a factor
- Companies appear to be maintaining their staffing levels in spite of relatively low growth with headcounts continue to grow, though businesses appear to be continuing to delay major investment decisions until there is greater clarity on Brexit in Q4.
- Data from the Office for National Statistics shows employment in Leeds City Region decreased by 6,000 (0.4%) between Q1 2019 and Q2 2019. Other core city LEPs such as Greater Manchester and Greater Birmingham reported similar falls, though other comparators saw growth.
- The City Region employment rate decreased from 73.8 % in Q1 2019 to 73.4% in Q2 2019, though remains high by historic standards.
- The unemployment rate fell in six of the ten City Region districts between Q1 2019 and Q2 2019, according to modelled estimates from NOMIS, with only modest increases in the remaining four.
- Goods worth £4.15bn were exported from Yorkshire & Humber in Q3 2019, largely unchanged from Q2 but a fall of 8.2% from Q1.

3. Clean Growth Implications

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

4. Financial Implications

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

5. Legal Implications

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

6. Staffing Implications

6.1 There are no staffing implication directly arising from this report.

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 The LEP Board is asked to note the analysis presented in the economic update and the latest intelligence on Brexit and consider how this relates to the work of the LEP and its strategy.

9. Background Documents

9.1 None

10. Appendices

Appendix 1 – Leeds City Region Economic Update Report

Appendix 2 – Leeds City Region Economic Dashboard

ECONOMIC AND BREXIT MONITOR: LEEDS CITY REGION, NOVEMBER 2019

Key points at glance

This report presents the latest assessment of the Leeds City Region economy. It sets out recent national and international developments along with trends and forecasts for global growth. It considers in more detail the latest developments in Leeds City Region and the implications for the economy as the UK approaches its exit from the European Union.

National and international headlines

- Global trade and geopolitical tensions have increased throughout 2019. This has contributed to increasing uncertainty in the global trading system, which is a large contributor to the weak global growth.
- The global economy is now projected to grow by only 3% in 2019 according to the International Monetary Fund. This would represent the lowest growth since 2008-09.
- UK GDP growth was flat in the three months to October, following growth of 0.3% in Q3 according to the Office for National Statistics. This growth was entirely driven by the service sector, with production output declining.
- The Eurozone maintained its growth rate at 0.3% in Q3, though performance among member countries was mixed with France exceeding expectations and Germany in the midst of a slowdown. The USA also beat expectations, growing at a rate of 0.5% in Q3 2019.
- There were 32.8 million people in work in the three months to October, according to ONS, an increase of 24,000 on three months earlier. The employment rate remains at a joint record high of 76.2%. The unemployment rate also remains at a record low of 3.8%.
- UK PMI surveys point to falling activity across all of the manufacturing, services and construction sectors – the first time all sectors have reported contraction concurrently since July 2016.

Key City Region and local developments

- There was an increase in business confidence in Q4 according to the QES, despite the uncertainty of a general election. Businesses were more confident about their profitability and cash flow situation, perhaps reflecting the lower immediate risk of a no deal Brexit.
- Domestic activity has rebounded, which has likely helped the recovery in confidence. Export activity remains subdued, however. Whilst Brexit is likely part of the explanation, the broader slowdown in activity internationally is also a factor
- The City Region employment rate decreased from 73.8 % in Q1 2019 to 73.4% in Q2 2019, though remains high by historic standards.
- The unemployment rate fell in six of the ten City Region districts between Q1 2019 and Q2 2019, according to modelled estimates from NOMIS, with only modest increases in the remaining four.
- Goods worth £4.15bn were exported from Yorkshire & Humber in Q3 2019, largely unchanged from Q2 but a fall of 8.2% from Q1.
- 3,800 new business bank accounts were opened in Leeds City Region in Q3, a 0.3% increase on Q3 2018. This compares to a 0.4% fall in activity on this measure nationally.
- Employment in Leeds City Region has decreased by 6,000 (0.4%) between Q1 2019 and Q2 2019. Other core city LEPs such as Greater Manchester and Greater Birmingham reported similar falls, though other comparators saw growth.

Brexit implications and conclusions

- Just over half (51%) of companies surveyed in the QES said they were confident or very confident in their Brexit preparations in Q4. However, there was a sharp fall in those saying they were very confident, from 23% in Q3 to 5% in Q4.
- There was also a slight fall in the proportion of businesses saying they were not confident they were prepared to withstand a no deal scenario, down to 11% in Q4 from 13.5% in Q3 and 16% in Q1.
- A majority of businesses (55%) say they have been able to access sufficient information to enable them to plan for Brexit effectively, though 1 in 6 say they have not and a significant proportion are unsure, likely reflecting the challenge of planning for a range of outcomes in an uncertain environment.
- The latest anecdotal evidence from the Growth Service's interactions with businesses supports the view that many businesses feel they have done all they can to prepare, whether through stockpiling or other contingencies to ensure supply in the event of disruption.

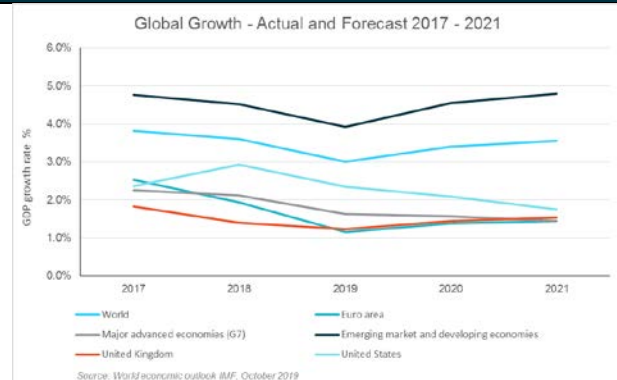
ECONOMIC AND BREXIT MONITOR: LEEDS CITY REGION, NOVEMBER 2019

Introduction

- This report presents the latest assessment of the Leeds City Region economy. It sets out recent global and national developments before considering in more detail the latest data for Leeds City Region and the implications for the economy as the UK approaches its exit from the European Union.
- New data available includes updated global economic forecasts from the IMF, whilst new official UK data is available on monthly GDP to August and the labour market for Q3 2019. Regional GDP data is also available for the first time whilst there is new national data on trade, inflation and retail activity and survey data on business sentiment.
- For Leeds City Region, the Quarterly Economic Survey with the Chambers of Commerce provides insight on business sentiment for Q3 2019. Labour market data from ONS for Q2 2019 and regional goods exports data from HMRC for the same period are also presented. Banksearch data on the number of new business bank accounts for Q3 2019 are also available.

Global economic and political developments

- Growth of the global economy has further slowed over 2019. The global economy is now projected to grow by only 3% in 2019 according to the IMF. This would represent the lowest growth since 2008-09.



- Global trade and geopolitical tensions have increased throughout 2019, contributing to increased uncertainty in the global trading system. This uncertainty is a large contributor to weakening global growth.
- Increasing trade tensions between China and the US have reduced China's aggregate demand, which has had a knock on effect throughout the globe.
- This reduction in demand from China has had a significant impact on the global automobile industry. This has had particular consequences for Germany with the projected growth for 2019 revised down to 0.5%.
- The French GDP growth rate was expected to slow down in Q3 2019, instead, it has remained steady at a modest growth rate of 0.3%. This has helped the wider Eurozone grow at 0.2% in Q3 of this year, faster than the expected 0.1%. Even with the modest growth of the French economy, the Eurozone growth rate has been revised down to a projected growth rate of 1.2% for 2019.
- The USA has so far not seen as big impact from the trade war as some other nations. The USA's GDP growth rate beat the expected to growth rate of 0.4%, growing at a rate of 0.5% in Q3 2019.
- China's projected growth rate for 2019 has been revised down to 6.1%. This after continued economic pressure from the trade war USA, as well as a slump in activity in both manufacturing and service sectors.
- The projected GDP growth rate for the Middle East and central Asia region has been revised down to 0.9% for 2019. This is due to a combination of continued conflict in the region and a weak global demand in oil.
- Weakening demand in global manufacturing and a modest slowdown in key service sector indicators are contributing to the economic performance of the UK, according to the IMF. Projected growth has been revised down to 1.2% in 2019, though the 2020 growth rate is still projected at 1.4%. This is because much of the uncertainty around Brexit is already factored in, with the expectation that there is an orderly Brexit.

Global economy summary: For the most part there has been a continued trend of downward revision of growth trajectories, raising concerns about the threat of recession globally. This is particularly true in the UK as amidst Brexit uncertainty, though these forecasts pre-date the general election. In some respects the UK is outperforming the wider EU however, emphasising that Brexit is not the only factor influencing growth.

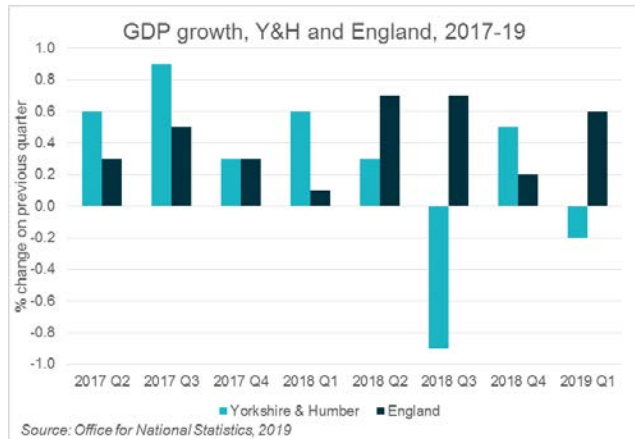
UK economic dashboard

Indicator	Latest position	Chart	Trend
Economic headlines	<p>UK GDP growth was flat in the three months to October, following growth of 0.3% in Q3.</p> <p>The service sector was again the only sector to see growth over this period, with output up 0.2%. Output in both the production and construction sectors contracted, by 0.7% and 0.3%, respectively.</p>	<p>UK GDP, 2017-19</p> <p>Source: Office for National Statistics, 2019</p>	☁️☀️
Confidence and sentiment	<p>The pace of the slowdown in production industries quickened at the end of 2019 according to the IHS Markit/CIPS PMI surveys. Both sectors reported declines in new work continued through December.</p> <p>Service sector companies were slightly more optimistic with the survey index at 50, indicating neither growth nor contraction.</p>	<p>Purchasing Managers Index (PMI) by sector, 2016-19</p> <p>Source: Markit/CIPS PMIs, 2016-19</p>	☁️
Labour market	<p>There were 32.8 million people in work in the three months to October, according to ONS, an increase of 24,000 on three months earlier. The employment rate remains at a joint record high of 76.2%. The unemployment rate also remains at a record low of 3.8%.</p> <p>Whilst the number of people in full time work increased, there were falls in those in part-time.</p>	<p>UK employment growth 2008-19</p> <p>Source: Office for National Statistics, 2019</p>	☁️☀️
Trade and exports	<p>The volume of retail sales decreased by 0.4% in the three months to November, the first quarterly fall since April 2018.</p> <p>The UK's trade deficit widened by £2.3bn to £7.2bn in the three months to August. The deficit with both EU and non-EU nations widened. Both imports and exports increased, but growth in imports was faster.</p>	<p>UK trade in goods and services, 2017-19</p> <p>Source: Office for National Statistics, 2019</p>	☁️☀️
Inflation and wages	<p>Inflation stood at 1.5% in November, unchanged from August.</p> <p>Regular pay increased by 3.5% in the year to October 2019, down from 3.9% in the preceding three months.</p> <p>Accounting for the effects of inflation, wages increased by 1.8% in real terms in the year to October.</p>	<p>Wage growth and inflation, 2012-19</p> <p>Source: Office for National Statistics, 2019</p>	☁️☀️

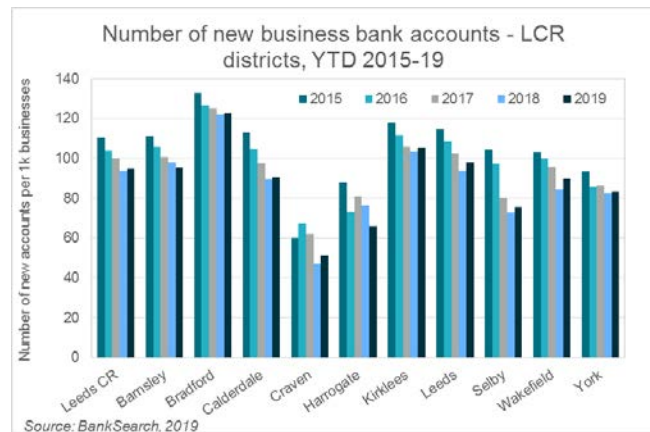
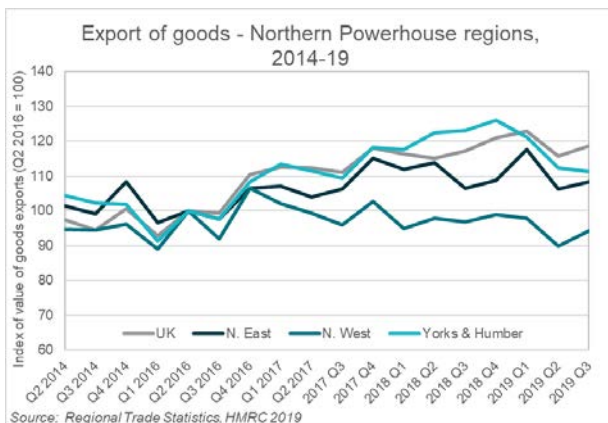
Brexit implications: The UK economic picture remains mixed, with GDP growth returning to zero early in Q4 and retail sales falling to suggest activity remains subdued. The labour market remains strong, however. The general election result and subsequent passing of the Withdrawal Agreement Bill in Parliament provides greater clarity on the future path on Brexit and this has been welcomed by markets, with the FTSE350 up around 5% since the election. There remain considerable uncertainties however, with an increasing number of businesses expecting uncertainty to continue into 2021, according to a Bank of England survey.

Leeds City Region – Business Performance and Trade

- There was an increase in business confidence in Q4 according to the Quarterly Economic Survey with the Chambers of Commerce, despite the uncertainty of a general election. Businesses were more confident about their profitability and cash flow situation, perhaps reflecting the lower immediate risk of a no deal Brexit.
- Domestic sales activity has rebounded, which has likely helped the recovery in confidence. Export activity remains subdued, however with activity falling in the service sector and largely flat among manufacturers. Whilst Brexit is likely part of the explanation, the broader slowdown in activity internationally is also a factor.



- Newly published data from ONS provides data on regional GDP for the first time. Although the data series has some time lag and is likely to fluctuate so should be treated with caution, it provides valuable insight into the performance of the regional economy. Data for Q1 2019 shows the Yorkshire & Humber economy contracted by 0.2%, following growth in GDP of 0.5% the preceding quarter. Regional data on this series will be likely to fluctuate more than national data however.



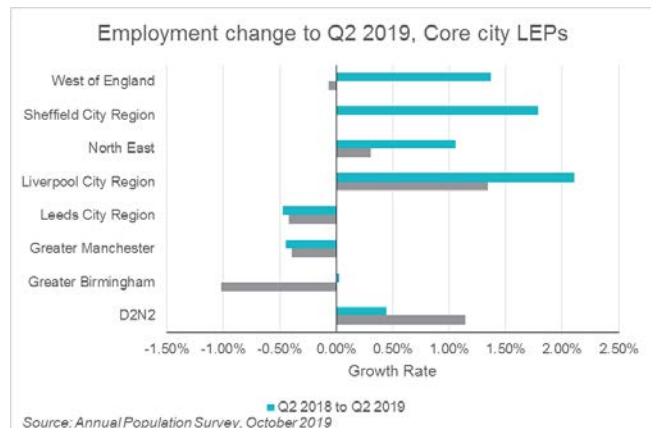
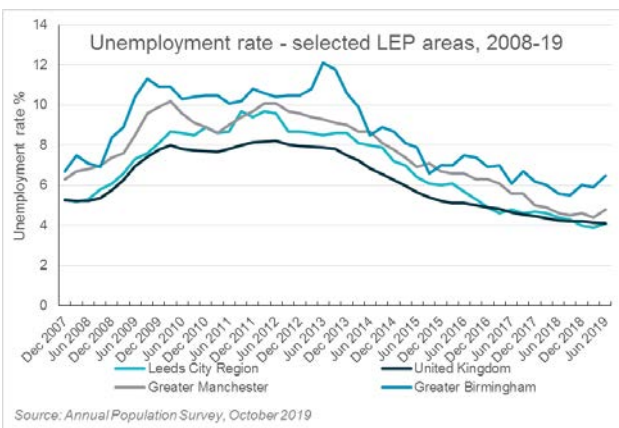
- Goods worth £4.15bn were exported from Yorkshire & Humber in Q3 2019, largely unchanged from Q2 but a fall of 8.2% from Q1. UK exports were 2.5% higher in Q3 than in Q2.
- The region saw growth in exports to Asia & Oceania in H1 2019, up 14% on a year ago. This has been offset by a 6.3% decline in exports to the EU and a smaller decline in exports to North America.
- 3,800 new business bank accounts were opened in Leeds City Region in Q3, a 0.3% increase on Q3 2018. This compares to a 0.4% fall in activity on this measure nationally.

Brexit implications: Businesses reported a more optimistic outlook in Q4 after the UK did not leave the EU without a deal in October. Domestic activity was a key source of that optimism, with international trade still affected by Brexit and broader issues.

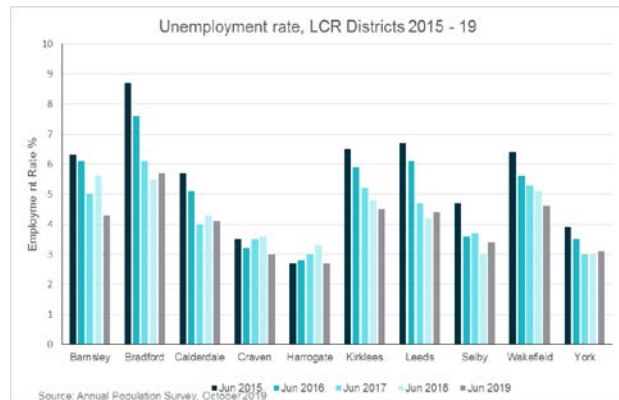
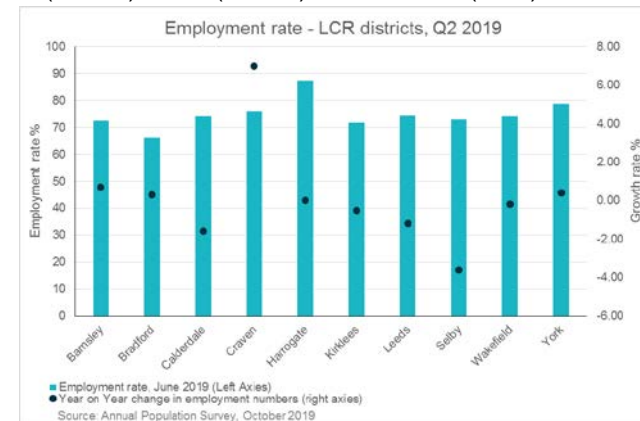


Leeds City Region – Labour Market

- Employment in Leeds City Region has decreased by 6,000 (0.4%) between Q1 2019 and Q2 2019. Data can fluctuate from quarter to quarter, but even with a fall in employment the City Region still is the largest of the eight core city LEPs with just under 1.41 million people in employment.
- Both Greater Manchester and Greater Birmingham LEP have seen a reduction in employment in Q2 2019 with falls of 0.4% and 1% respectively.
- The City Region employment rate decreased from 73.8 % in Q1 2019 to 73.4% in Q2 2019. Nationally, employment numbers have increased by a modest 0.3%, growing the employment rate to 75.9%.
- Unemployment in the City Region has risen by 2,600 (4.5%) since last quarter. There are now 60,200 unemployed people in the City Region. The unemployment rate of 4.1% is in line with the national figure. Only West of England (3.8%) and Liverpool City Region have lower rates (3.6%)
- 78.5% of Leeds City Region residents in work are employed in the private sector, a joint record high and up from 75% five years ago. Only D2N2 and Greater Birmingham, out of the core city LEPs have more residents employed in the private sector This is comparable to the 78.3% nationally, and second only to Greater Birmingham among core city LEPs (80.5%).



- Whilst it is important to note that data at district level is based on relatively small sample sizes and is therefore prone to fluctuation, employment growth was most notable in Craven and Bradford at district level, with these districts seeing around 2,100 and 3,300 more residents in work, respectively.
- Half of the districts in the Leeds City Region have seen employment fall since Q1 – Calderdale (-1.6%), Kirklees (-0.5%), Leeds (-1.2%), Selby (-3.6%), and Wakefield (-0.2%)
- Three districts in Leeds City Region have employment rates in excess of the UK rate of 75.9% - Harrogate (87.4%), York (78.8%), and Craven (76%)



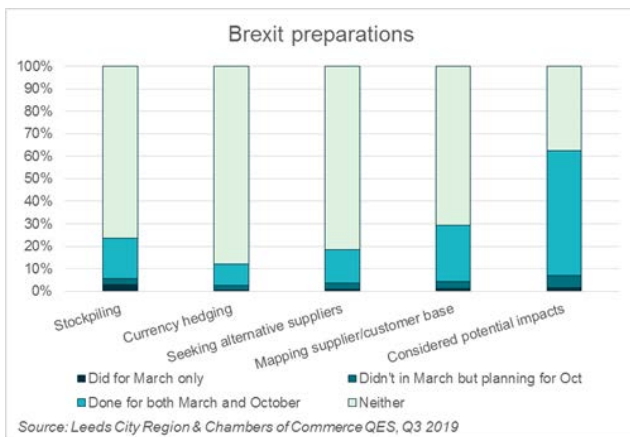
- The unemployment rate fell in six of the ten City Region districts between Q1 2019 and Q2 2019, according to modelled estimates from NOMIS, with only modest increases in the remaining four.
- The largest fall in unemployment was in Barnsley (-1.3%) with the largest increase in unemployment being in Selby rising by 0.4%.

Brexit implications: Employment seems to have fallen slightly from a recent peak, though remains by historic standards. A tapering off of the labour market's strength in Q2 reflects broader economic data which showed the economy contracting nationally over this period.



Brexit Intelligence and Assessment

- The Quarterly Economic Surveys for Q3 and Q4 2019 again sought to understand the actions businesses were taking in preparation for Brexit, and their confidence in their preparations for a “no deal” scenario. Alongside this, intelligence from other sources such as the Growth Service’s interactions with businesses has been co-ordinated to provide an understanding of the challenges, risks and opportunities posed by Brexit.
- As in recent surveys, just over half (51%) of companies surveyed in the QES said they were confident or very confident in their Brexit preparations in Q4. However, there was a sharp fall in those saying they were very confident, from 23% in Q3 to 5% in Q4. There was also a slight fall in the proportion of businesses saying they were not confident they were prepared to withstand a no deal scenario, down to 11% in Q4 from 13.5% in Q3 and 16% in Q1.
- Most businesses who took some action ahead of the original Brexit deadline in March had done the same in preparation for the October deadline but relatively few who did nothing in March planned to do anything for October. More than half of businesses had devoted management time to thinking about Brexit, and around a quarter have mapped their supplier and customer base. 18% say they stockpiled, though this increases to 43% among manufacturers.



- A majority of businesses (55%) say they have been able to access sufficient information to enable them to plan for Brexit effectively, though 1 in 6 say they have not and a significant proportion are unsure, likely reflecting the challenge of planning for a range of outcomes in an uncertain environment. The government’s gov.uk website was the most frequently mentioned source of information, accessed by 61% of businesses, followed by the media (42%) and business networks (39%).
- Whilst relatively limited as the level of activity lessened slightly during the election period, the latest anecdotal evidence from the Growth Service’s interactions with businesses supports the view that many businesses feel they have done all they can to prepare, whether through stockpiling or other contingencies to ensure supply in the event of disruption.
- However, others in recent weeks have reported issues such as a hesitancy for some overseas clients to place orders whilst there are also concerns in some sectors over the recruitment and retention of staff after the UK’s exit.
- Following the general election and subsequent passing of the Withdrawal Agreement Bill in Parliament, there is a greater degree of clarity on the future path on Brexit and the risk of significant disruption has been removed in the near-term. However, the negotiation over the future trading relationship with the EU will have significant implications for many businesses and the nature of those future relationships remains highly uncertain.
- To that extent, and with an increasing number of businesses expecting uncertainty to continue into 2021, according to a Bank of England survey, businesses may find that work to understand their supply chains and other potential impacts will likely prove valuable over the next 12 months.

Conclusions: Leeds City Region businesses reported a somewhat more positive outlook in Q4, perhaps buoyed by the fact that a potentially disruptive scenario had been averted at the end of October, and the greater clarity that a general election could bring. Whilst it appears that relatively few businesses feel there is more action they can take now that they didn’t take for previous cliff edges, anecdotal evidence suggests many businesses have taken practical steps to prepare for a range of outcomes and feel as prepared as they could be. The general election outcome should provide some clarity on Brexit timelines, and enable businesses to take more practical steps if and when talks over a trade deal provide greater certainty over future trading relationships.



National and international				Leeds City Region			
Indicator	Latest position	Chart	Trend	Indicator	Latest position	Chart	Trend
Economic headlines	Trade and geopolitical tensions have increased throughout 2019, contributing to increased uncertainty in the global trading system. Projections for global growth have been downgraded to 3% in 2019 according to the International Monetary Fund. This would represent the lowest growth since 2008-09. UK GDP growth was flat in the three months to October, following growth of 0.3% in Q3. The service sector was the only sector to see growth over this period, whilst output in both the production and construction sectors contracted.			Economic headlines	Businesses were more positive about the outlook in Q4 2019, particularly driven by stronger activity in domestic markets towards the end of the year. Export activity remains subdued, however with activity falling in the service sector and largely flat among manufacturers. Whilst Brexit is likely part of the explanation, the broader slowdown in activity internationally is also a factor.		
Business performance & confidence	The pace of the slowdown in production industries quickened at the end of 2019 according to the IHS Markit/CIPS PMI surveys. Both sectors reported declines in new work continued through December. Service sector companies were slightly more optimistic with the survey index at 50, indicating neither growth nor contraction, following a decline in November.			Business performance & confidence	There was an increase in business confidence in Q4 according to the QES, despite the uncertainty of a general election. Businesses were more confident about their profitability and cash flow situation, particularly driven by domestic activity. 3,800 new business bank accounts were opened in Leeds City Region in Q3, a 0.3% increase on Q3 2018. This compares to a 0.4% fall in activity on this measure nationally.		
Labour market	There were 32.8 million people in work in the three months to October, according to ONS, an increase of 24,000 on three months earlier. The employment rate remains at a joint record high of 76.2%. The unemployment rate also remains at a record low of 3.8%. Whilst the number of people in full time work increased, there were falls in those in part-time.			Labour market	Employment in Leeds City Region has decreased by 6,000 (0.4%) between Q1 2019 and Q2 2019 though data can fluctuate from quarter to quarter. The City Region employment rate decreased from 73.8 % in Q1 2019 to 73.4% in Q2 2019 though remains high by historic standards. The unemployment rate of 4.1% is in line with the national average.		
Trade and exports	The volume of retail sales decreased by 0.4% in the three months to November, the first quarterly fall since April 2018. The UK's trade deficit widened by £2.3bn to £7.2bn in the three months to August. The deficit with both EU and non-EU nations widened. Both imports and exports increased, but growth in imports was faster.			Trade & exports	Goods worth £4.15bn were exported from Yorkshire & Humber in Q3 2019, largely unchanged from Q2 but a fall of 8.2% from Q1. UK exports were 2.5% higher in Q3 than in Q2. The region saw growth in exports to Asia & Oceania in H1 2019, up 14% on a year ago. This has been offset by a 6.3% decline in exports to the EU and a smaller decline in exports to North America.		
Inflation and wages	Inflation stood at 1.5% in November, unchanged from August. Regular pay increased by 3.5% in the year to October 2019, down from 3.9% in the preceding three months. Accounting for the effects of inflation, wages increased by 1.8% in real terms in the year to October.			Brexit preparations	Just over half of companies surveyed in the QES said they were confident in their Brexit preparations in Q4. However, there was a sharp fall in those saying they were very confident, from 23% in Q3 to 5% in Q4. There was also a slight fall in the proportion of businesses saying they were not confident they were prepared to withstand a no deal scenario, down to 11% in Q4 from 16% in Q1.		
Summary	For the most part there has been a continued trend of downward revision of growth trajectories, raising concerns about the threat of recession globally. The UK economic picture remains mixed, with GDP growth returning to zero early in Q4 and retail sales falling to suggest activity remains subdued. The labour market remaining strong, however, and the general election and subsequent passing of the withdrawal will provide some certainty around Brexit. In some respects the UK is outperforming the wider EU, emphasising that Brexit is not the only factor influencing growth. Businesses in Leeds City Region reported a somewhat more positive outlook in Q4, perhaps buoyed by the fact that a potentially disruptive scenario had been averted at the end of October, and the potential greater clarity that a general election could bring.						

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

Date: 16 January 2020

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

Director: Melanie Corcoran, Director of Delivery/ Angela Taylor, Director of Corporate Services

Author(s): Julia Radianec

1. Purpose of this report

- 1.1 To provide the LEP Board with an update on progress relating to changes proposed to the Leeds City Region Local Assurance Framework arising from its annual review. The review is undertaken to strengthen the compliance of the Local Assurance Framework to the National Local Growth Assurance Framework (January 2019) and the Strengthened Local Enterprise Partnership report (July 2018) and in accordance with guidance issued by the Chartered Institute of Public Finance and Accountancy¹ (CIPFA).
- 1.2 Request the LEP Board to provide comments and feedback on the draft Assurance Framework.
- 1.3 Request the LEP Board to delegate authority to the LEP's Chief Executive (the Managing Director) in consultation with the LEP Chair and the Combined Authority Chair to approve the Local Assurance Framework on behalf of the LEP, further to its consideration by the Combined Authority on 6 February 2020.

2. Information

- 2.1 The LEP and West Yorkshire Combined Authority are required to prepare a Local Assurance Framework as part of the Local Growth funding agreement. The framework must be reviewed annually and uploaded onto the LEP's website. The deadline for this to be completed is 28 February 2020.
- 2.2 The framework covers discretionary projects and programmes funded from Government or local sources that flow through the LEP and the Combined Authority. It has been prepared in accordance with HM Government Local Growth National Assurance Framework guidance (January 2019) and builds on a body of existing good practice. The LEP has to comply with this guidance

¹ "Principles for Section 151 officers in accountable bodies working with local enterprise partnerships" (2018)

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

- 2.3 The 'Strengthened Local Enterprise Partnerships' report (July 2018) set out a number of Government commitments alongside a number of additional changes that Government will work with Local Enterprise Partnerships to implement. This continues to have implications for the Local Assurance Framework for this review, relating to the potential revisions to the LEP geography and diversity requirements.
- 2.4 A copy of the current draft Local Assurance Framework can be found in Appendix 1. The key changes to the Assurance Framework are outlined below.
- 2.5 The LEP Board is requested to note that no further update has been published by MHCLG with regards the Local Growth National Assurance Framework guidance since January 2019 and none is expected prior to 28 February 2020. A full copy of the National Local Growth Assurance Framework is available on the MHCLG [website](#). Section 151/Section 73 Officers are required to write to HM Government by 28 February 2020, ahead of next year's Local Growth Fund payment, to certify that the LEP/Combined Authority's Local Assurance Framework is compliant with the national framework.
- 2.6 In line with the above, this year's review of the Local Assurance Framework has been focused on aligning the Local Assurance Framework with current working practices, potential changes to the LEP's geography and the impending introduction of the Strategic Economic Framework (SEF).

Key Changes

- 2.7 The key changes for the 2020 Assurance Framework review include:
 - Any references to LEP boundaries and relevant maps have been removed in this version of the Assurance Framework. Once the LEP Board has made and communicated the decision on the LEP footprint, further amendments will be made to reflect the decision in relation to the new LEP footprint and changes in governance resulting from this prior to publication.
 - References to the Strategic Economic Framework (SEF) and Local Industrial Strategy (LIS), where relevant, have replaced the references to the Strategic Economic Plan (SEP).
 - A footnote added in Table 2.1 "Advisory Panels to the LEP and Combined Authority", to reflect the current work being undertaken around the Investment Loans programme. However, due to the early stages in this development and the lack of clarity around its future governance arrangements at present, the governance for the Investment Loans programme has not been covered in this review to date.
 - Sections 5 and 6, "Approach to Prioritisation" and "Assurance around Programme and Project Delivery", have been updated with new wording to reflect updated working practice around project and programme appraisal

and to lessen the focus on the TAG guidance (formerly WebTAG), in order to take account of new priorities, such as clean growth.

- Section 7, “Monitoring and Evaluation”, has been updated to clarify the purpose and requirements of Activities 6 and 7. The “Benefits Realisation” section has been updated, to spell out the approach to the monitoring of the progress towards SEF priorities. A new section on monitoring and evaluation of the SEF has been added.
- Amendments have been made to Appendix 4 to reflect changes in the sub-delegations for Economic Services grants.
- Changes made to Appendix 6 to reflect changes to the Programme Appraisal Team’s (PAT) terms of reference.
- References to the Strategic Assessment Review Group (SARG) have been made and the SARG terms of reference added at Appendix 7.
- References to the Portfolio Management Group (PMG) have been added and the PMG terms of reference have been added at Appendix 8.

- 2.8 The LEP Board is requested to note that further changes may need to be made to update the Assurance Framework prior to the publication, including:
- References made to the LEP geography in the Assurance Framework.
 - Amendments to the relevant governance documents, which will need to be updated to reflect the new LEP footprint and LEP’s compliance with the diversity requirements of the Strengthened Local Enterprise Partnerships guidance.
 - References to the Investment loans governance arrangements.

Next Steps

- 2.9 The draft Assurance Framework has been reviewed by the Combined Authority Senior Leadership Team and Cities and Local Growth Unit has provided their informal input into the review.
- 2.10 Following the LEP Board review, the Assurance Framework will be reviewed by:
- Governance and Audit Committee (23 January 2020)
 - Investment Committee (5 February 2020)
 - Combined Authority (6 February 2020)
- 2.11 Due to relatively minor changes required to the Local Assurance Framework this year and substantial input provided by the Overview and Scrutiny Committee into the review of the Framework during the previous review, the Overview and Scrutiny committee will not review the Assurance Framework in detail this year. However, the Committee has been notified that the review is taking place and will have an opportunity to discuss the Assurance Framework review and to provide their input at the meeting on 17 January 2020.
- 2.12 To facilitate the approval process for the Assurance Framework, it is requested that the LEP Board delegates authority to the LEP’s Chief Executive (the Combined Authority Managing Director) in consultation with the LEP Chair

and the Combined Authority Chair to approve the Local Assurance Framework on behalf of the LEP, further to its consideration by the Combined Authority.

2.13 Following the review process, the document will be submitted to Government by 28 February 2020.

2.14 As part of continuous improvement a further review of the Assurance Framework is planned in 2020, in order to ensure that it is as efficient as possible – particularly given the variability in the scale and complexity of projects and programmes. Such a review will ensure that, going forward, the right level of proportionality is applied to different types of programme.

3. Clean Growth Implications

3.1 Clean growth considerations and references to related activities have been embedded throughout the Assurance Framework and related internal governance documents and decision-making procedures. Building on the recent work to strengthen how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority's Assurance Framework (Decision point 1 and 2), the Combined Authority is now in the process of procuring expert advice to frame and develop a robust quantifiable methodology for assessing all new scheme's predicted carbon emissions / wider clean growth impacts. This will include a review of all existing Combined Authority schemes and additional resource to support the development and implementation of the new assessments. Clean growth, including climate change, impact assessment / considerations are all now included in all capital spending and project approvals reports.

4. Financial Implications

4.1 None arising directly from this report. However, it should be noted that non-compliance with government requirements in respect of the LEP/ Combined Authority Local Assurance Framework may impact on the receipt of Growth Deal and other funding.

5. Legal Implications

5.1 None arising directly from this report.

6. Staffing Implications

6.1 None arising directly from this report.

7. External Consultees

7.1 The Department for Business, Energy & Industrial Strategy (BEIS) has provided informal feedback on the draft Local Assurance Framework.

8. Recommendations

- (i) Note the changes that have been made to the Local Assurance Framework, as set out in this report.
- (ii) Approve the substantive form of the draft updated assurance framework document and provide feedback regarding any final changes.
- (iii) Delegate authority to the LEP's Chief Executive (the Managing Director) in consultation with the LEP Chair and the Combined Authority Chair to approve the Local Assurance Framework on behalf of the LEP, further to its consideration by the Combined Authority on 6 February 2020.

9. Background Documents

9.1 [The National Local Growth Assurance Framework](#) (2019)

9.2 [Strengthened Local Enterprise Partnerships](#) (2018)

10. Appendices

10.1 Appendix 1 – Draft Local Assurance Framework.

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**West
Yorkshire**
Combined
Authority

Working in
partnership
with the



**Leeds City Region
Enterprise
Partnership**



Assurance Framework

February 2020

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Executive summary

This Assurance Framework covers expenditure on projects and programmes funded by Government or local sources in the Leeds City Region. This includes funding received by the Combined Authority as the accountable body for the Leeds City Region Enterprise Partnership (the LEP), funding in respect of the Local Growth Fund, including Enterprise Zones, and a number of other funding streams.

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

The document is set out as follows:

Section 1 – Introduction (page 7 onwards)
<ul style="list-style-type: none"> Background, scope and purpose of the Assurance Framework, strategic priorities and the Combined Authority’s role as accountable body for the LEP
Section 2 – Decision-Making Arrangements (page 14 onwards)
<ul style="list-style-type: none"> Governance and key decision-making of the LEP and Combined Authority as the accountable body for the LEP
Section 3 – Transparency and Accountability (page 23 onwards)
<ul style="list-style-type: none"> Arrangements to ensure transparent decisions are taken, including the role of audit, scrutiny, whistleblowing and requests for information and data protection. Additionally the LEP diversity statement
Section 4 – Local Engagement and Partnership Working (page 31 onwards)
<ul style="list-style-type: none"> Outline of the arrangements and methodologies for engaging with stakeholders, cross LEP working and collaboration
Section 5 – Approach to prioritisation (page 35 onwards)
<ul style="list-style-type: none"> Processes used to identify schemes and methodologies used to prioritise scheme
Section 6 – Assurance around programme and project delivery (page 39 onwards)
<ul style="list-style-type: none"> The Assurance process around project and programme delivery, including the approach to ensuring value for money
Section 7 – Monitoring and Benefits Realisation (page 59 onwards)
<ul style="list-style-type: none"> Approach to monitoring and evaluation
Appendices of the Assurance Framework (page 65 onwards)
<ul style="list-style-type: none"> Appendix 1 – Accountable body arrangements Appendix 2 – Section 73 Chief Finance Officer – responsibility arrangements Appendix 3 – Governance structures Appendix 4 – Economic services grants: delegation arrangements Appendix 5 – Assurance process principles for ESIF Sustainable Urban Development (SUD) purposes Appendix 6 – Programme Appraisal Team (PAT) terms of reference
Glossary (page 91 onwards)
<ul style="list-style-type: none"> Short description of key terms

DRAFT

This framework was reviewed by the Combined Authority on 6 February 2020 and the LEP Board on 16 January 2020. It is compliant with the requirements set out in the National Local Growth Assurance Framework (2019) and Strengthened Local Enterprise Partnerships report (2018) and has been prepared in accordance with guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA Principles for Section 151 Officers in Accountable Bodies).

1. INTRODUCTION

1.1 The Leeds City Region Enterprise Partnership

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

It is an autonomous business-led public-private local partnership, which brings together the private and public sectors from across the Leeds City Region to provide strategic leadership. The information about the current LEP geography can be found [here](#).

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

The LEP focusses its activities on the following:

Strategy: setting and developing strategies which reflect the scale of our ambitions and priorities for the City Region. The current overarching strategy for the City Region is the SEP. However, during 2020 we will transition to an agile, long-term strategic framework called the Strategic Economic Framework (SEF). At the heart of this is the Local Industrial Strategy (LIS), which identifies local strengths and challenges, future opportunities and the interventions needed to boost productivity, earning power and competitiveness across the Leeds City Region. The SEF and LIS are supported by a full range of policies and strategies developed to enable the next stage of the region’s economic transformation.

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

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

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

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

1.2 The West Yorkshire Combined Authority

The West Yorkshire Combined Authority (the Combined Authority) was established on 1 April 2014¹ to work alongside the LEP in relation to devolved local growth funding and responsibilities. It supports business growth through its transport, economic development and regeneration functions, investing in economic infrastructure, and through its role in creating quality places.

¹ By the West Yorkshire Combined Authority Order 2014

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

York is a non-constituent council of the Combined Authority, and also appoints a Member to the Combined Authority. There is also a LEP Member on the Combined Authority.

Further details about membership of the Combined Authority and its committees and panels are set out in Appendix 3.



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

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

- carrying out finance functions on behalf of the LEP;
- oversight of the LEP's financial and governance, transparency and accountability arrangements;
- providing additional support as agreed by the LEP.

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

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

The statutory Section 73² **Chief Finance Officer** of the Combined Authority as accountable body, is responsible for overseeing the administration of the Combined Authority's financial affairs. This role is extended to include the financial affairs of the LEP.

² Section 73 of the Local Government Act requires the Combined Authority to appoint an officer to be responsible for the proper administration of the authority's financial affairs. This role is carried out by the Combined Authority's Director of Corporate Services.

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

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

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

1.4 Links between the LEP and the West Yorkshire Combined Authority

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

- the LEP Chair is a member of the Combined Authority;
- the SEF and the LIS, once finalised, will form the basis of the work of both the LEP and the Combined Authority;
- West Yorkshire council leaders are members of both the LEP and the Combined Authority;
- the Assurance Framework is adopted by both the LEP and the Combined Authority;
- The Chief Executive Officer of the LEP is also the Managing Director of the Combined Authority.

These strong linkages between the LEP and the Combined Authority mean that by working together:

1. Partnership is deepened;
2. The collective voice of the region is stronger nationally and internationally;
3. Costs are minimised and efficiency is maximised;
4. It is easier and more efficient to produce joined up policy and delivery.

1.5 Scope of the Assurance Framework

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

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

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

- governance and key decision-making arrangements (**Section 2**)
- transparency and accountability (**Section 3**)
- local engagement and partnership working (**Section 4**)

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- approach to prioritisation (**Section 5**)
- the assurance around project and programme delivery, including ensuring value for money (**Section 6**)
- approach to monitoring and evaluation (**Section 7**).

1.6 Purpose of the Assurance Framework

The purpose of this Assurance Framework is to ensure that the necessary systems and processes are in place to manage funding effectively. This includes ensuring the successful delivery of SEP outcomes³ and funding programme outcomes, e.g. Local Growth Fund, Transforming Cities Fund, etc. During 2020 we will build on the SEP and transition to a Strategic Economic Framework. Successful delivery of this will also be covered by this assurance framework. Its focus is to ensure that necessary practices and standards are implemented to provide the Combined Authority (as the accountable body for the LEP), Government, the LEP and local partners with sufficient assurance that decisions over funding and the means by which these decisions are implemented are proper, transparent and deliver value for money.

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

The Assurance Framework is one element of the Government's wider assurance systems. The Accountability System Statements for both Local Government and the Local Growth Fund (LGF), as outlined in the MHCLG Accounting Officer Systems Statement, set out other key mechanisms in relation to the City Region funding including:

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

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

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

³ The priorities of the SEP are: 1. Growing business, 2. Skilled people better jobs, 3. Clean energy and environmental resilience, 4. Infrastructure for growth.

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

1.7 Strategic Economic Framework (SEF)

Since 2016, the Strategic Economic Plan has set out the LEP's priorities for growth and development. To reflect the changing economy and future challenges, the LEP Board and Combined Authority have now decided to replace the SEP with a new, agile, long-term strategic framework, incorporating both the new Local Industrial Strategy (LIS), as well as a full range of policies and strategies, reflecting the scale of our ambitions and priorities for the City Region.

Building on the SEP, the Strategic Economic Framework (SEF) will provide the strategic framework for investment, including for the LIS and the future UK Shared Prosperity Fund, Industrial Strategy Challenge Fund, Sector Deals and Strength in Places Fund.

The aspiration the SEF needs to enable is that public spending in the North/City Region should re-orientate over time towards investment in economic enablers (infrastructure, human capital) and away from addressing the symptoms of structural weaknesses.

Ultimately, this will result in the City Region becoming a net contributor to the UK economy, alongside the priceless prize of people fulfilling their potential. Levelling-up outcomes will improve the quality of life and inject optimism and confidence into communities, some of whom have felt left-behind for generations. This requires long-term commitment and significant uplift in funding, as there will be a transitional period of both transformational investment and maintaining vital social protections.

The core design principles of the SEF are:

- an agile framework, with a focus on **tackling our priorities**:
 - **Boost productivity**, helping businesses to grow and bringing new investment into the region to drive economic growth and create jobs;
 - **Support clean growth**, growing our region's economy while also cutting CO₂;
 - **Enable inclusive growth**, ensuring that economic growth leads to opportunities for all who live and work in our region;
 - **Deliver 21st century transport**, creating efficient transport infrastructure that makes it easier to get to work, do business and connect with each other.
- based on robust evidence, demonstrating a clear understanding of the key strengths, assets and challenges in Leeds City Region;
- flexibility to reflect the City Region's evolving policy remit, e.g. culture, and potentially new aspects of tackling disadvantage in health, early years and education;
- to ensure all Combined Authority and LEP strategies are aligned with a clear focus on tackling our priorities and delivering inclusive growth;
- to maximise our strategic assets and strengths e.g. our concentration of science, research and innovation assets, our globally competitive manufacturing sector and vibrant digital-tech sectors, including medical technologies; and
- to place the City Region on the front-foot with an ambitious policy platform that improves competitiveness and ensures the benefits are shared fairly.

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Our approach to the SEF is informed by:

- Open and collaborative policy making.
- Fostering an inclusive, place-based strategy where all communities contribute to, and benefit from, growth.
- Boosting earnings, testing local solutions with HMG to help tackle the productivity challenge.
- Accelerating infrastructure delivery and embedding resilience.

The LIS sits at the heart of the SEF, focussing on bold steps that boost productivity and drive inclusive and clean growth. It is underpinned by the five foundations of productivity – People, Place, Infrastructure, Ideas and Business Environment – and highlights how the City Region contributes to the national Grand Challenges.

An outcome and indicator framework will sit alongside the SEF to regularly monitor success measures and ensure that impact is achieved. The indicators will cover all policy areas and will be used to inform programme and project level appraisal and evaluation frameworks.

We have a very clear view that successfully levelling-up the outcomes means:

- **Beginning to close the City Region’s productivity gap.**
- **More economic inclusion** – raising the employment rate to the level of the Greater southeast would mean an extra 88,600 people employed in the City Region.
- **Higher pay for full-time workers** - 1 in 4 City Region jobs pay below the Living Wage Foundation’s living wage.
- **Better skills** - by closing the North/South gap, where 34% of working age people in the North are qualified to Level 4 compared to 45% in the Greater southeast.
- **A more productive business base** – the productivity curve of City Region firms shows more firms with mid-to-low productivity, limiting their capacity to invest and improve workers’ pay and conditions.

It is envisaged that the Strategic Economic Framework, including the LIS, will replace the SEP from spring 2020.

1.8 Reviewing, approving and publishing the Assurance Framework

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

- the needs of local investors, partners and the wider public
- the standards set out in the National Local Growth Assurance Framework, [here](#)

The review includes input from the Combined Authority’s Overview and Scrutiny Committee.

The Assurance Framework was reviewed by the LEP Board on 16 January 2020 and by the Combined Authority on 6 February 2020.

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The Framework complies with the standards set out in the revised National Assurance Framework (the National Local Growth Assurance Framework) issued by Government in January 2019. No further guidance has been issued since January 2019 to date. The Framework is also compliant with the requirements set out in the Strengthened Local Enterprise Partnerships report (2018) and has been prepared in accordance with the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA Principles for Section 151 Officers in Accountable Bodies).

The Assurance Framework is a 'live' document and may be subject to further revision and update to ensure that it remains fit for purpose. To this effect, the Assurance Framework was updated in August 2019, to reflect latest changes in internal processes. For transparency, the Assurance Framework is published on the LEP and the West Yorkshire Combined Authority websites, together with supporting information.

The Assurance Framework is reviewed annually and signed off by the LEP Board, the Combined Authority and the Section 73⁵ Chief Finance Officer.

⁵ Appointed under Section 73 Local Government Act 1985

2. DECISION-MAKING ARRANGEMENTS

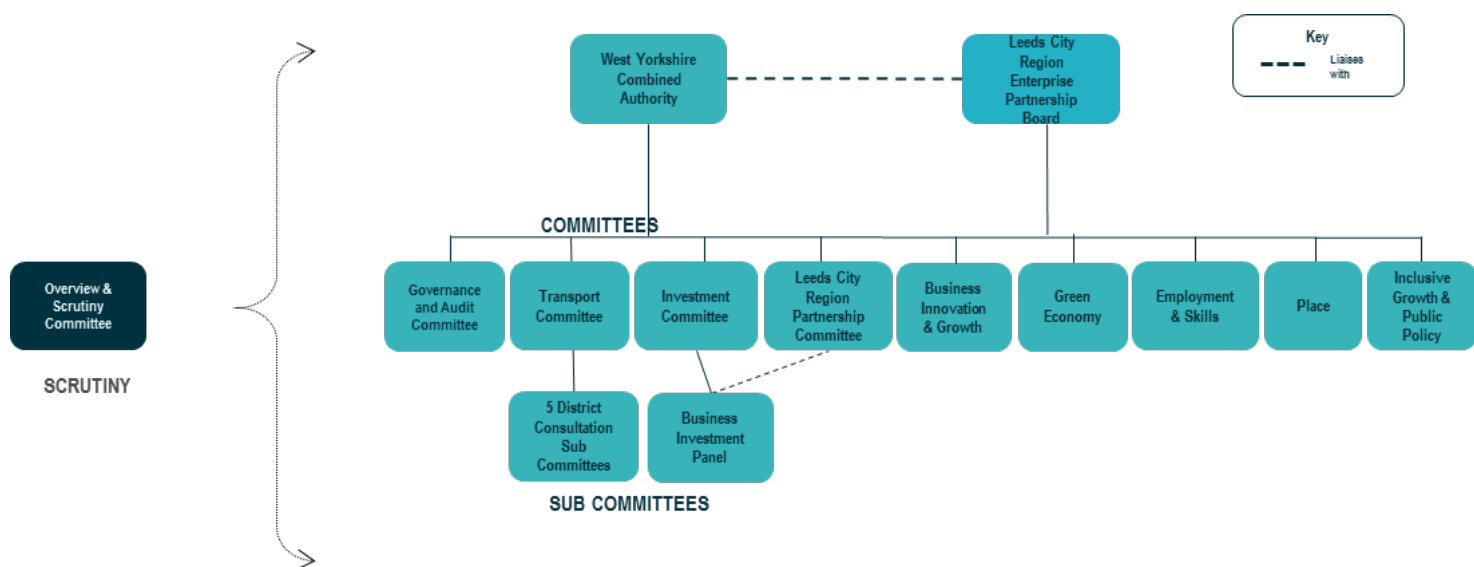
2.1 Introduction

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

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

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

Figure 2.1: Governance structure



The LEP Board

The LEP is responsible for setting strategic direction and will hold partners to account in the delivery of the strategic objectives. Responsibility for LEP decision-making rests with its LEP Board⁶, the decision-making forum for the LEP.

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

Key roles and responsibilities of the LEP Board include providing high quality leadership by:

⁶ The LEP Board may delegate decisions in accordance with the LEP’s Constitution and the LEP Board’s Procedure Rules

- setting the strategic direction for the sustainable economic growth of the Leeds City Region economy;
- proposing key objectives and investment priorities to deliver the overall vision and strategy of the LEP;
- overseeing the continued delivery of the SEP along with the transition to and implementation of the SEF during 2020;
- leading the development of Enterprise Zones (EZs) in the Leeds City Region;
- agreeing funding criteria, leading and coordinating funding bids and leveraging funding from the private and public sector to support the delivery of agreed LEP priorities;
- working with the Combined Authority to set the forward strategy for attracting new financial and business investment into the area;
- jointly approving a Business Plan and performance reporting with the Combined Authority on its plans along with the SEP and SEF;
- influencing key sub-regional, regional, national and international strategies;
- publishing an annual report;
- providing a link to Government on all aspects of the LEP’s work.

Additional information on the LEP’s transparency and accountability arrangements is set out in Section 3, supplemented by Appendices 1, 2 and 3.

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

The Combined Authority

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

Additional information on the Combined Authority’s transparency and accountability arrangements is set out in Section 3, supplemented by Appendices 1, 2 and 3.

Appendix 3 provides information about the membership arrangements of the Combined Authority.

2.2 Substructures of the LEP and the Combined Authority

2.2.1 Advisory Panels

The following advisory panels appointed by the Combined Authority⁷ report to the LEP. Their focus is on policy development, including criteria for the allocation of LEP funding. Panels are usually chaired by a LEP Board representative.

Table 2.1: Advisory Panels to the LEP and Combined Authority

Business Investment Panel	This panel has a key role in the assurance process for the appraisal of business grants and loans in the City Region, advising
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⁷ These are advisory committees of the Combined Authority

	<p>the Investment Committee and the LEP Board in relation to economic development loans and grants.⁸</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here. An advisory sub-committee of the West Yorkshire and York Investment Committee (see below), this Panel has representatives from the private sector and local authorities, some of whom are members of the LEP Board.</p>
Business Innovation and Growth Panel	<p>This panel advises the LEP and the Combined Authority in relation to business growth, including business support, innovation, digital, trade, and inward investment. Made up of representatives from the private sector, universities, policymakers and delivery partners, this Panel ensures that work is driven by the needs of business.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>
Employment and Skills Panel	<p>This Panel brings employers together with local authority representatives and skills providers. It carries out the role of Skills Advisory Panel for the LEP, and advises the LEP and the Combined Authority in relation to employment and skills within the City Region, for example, projects to address skills gaps in the City Region's key industry sectors and create local leadership that drives improvements in skills and employment. The panel's work is driven by the needs of employers and the City Region's economy.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>
Green Economy Panel	<p>This Panel brings together local authority and private sector representatives in the City Region, to advise the LEP and the Combined Authority in relation to environmental sustainability and achieving a zero-carbon economy in the City Region.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>
Place Panel	<p>Comprising local authority and private sector representatives, this Panel advises the LEP and the Combined Authority on promoting the quality of place in the City Region, including relation to housing growth, quality and regeneration, infrastructure planning, strategic land use and asset management, sustainable development and enterprise zones.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p>
Inclusive Growth and	<p>This Panel advises the LEP and the Combined Authority in relation to securing inclusive growth throughout the Leeds City Region.</p>

⁸ A new loan fund is likely to be launched in 2020 which will require further review of governance arrangements.

Public Policy Panel	The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here .
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2.2.2 Decision-making committees

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

Table 2.2: Decision-making committees

Transport Committee	<p>The Transport Committee has authority to progress schemes through the assurance process, as set out in section 2.3 below.</p> <p>In relation to transport-related investment, the Committee also has a specific role in liaising with the West Yorkshire and York Investment Committee to promote the strategic alignment of regional transport funding investment.</p> <p>More generally, in accordance with the policies and strategies set by the Combined Authority, the Transport Committee meets to consider matters relating to its statutory transport functions. The Committee also oversees, and has strategic oversight of, public transport revenue expenditure funded by the West Yorkshire transport levy.</p> <p>The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found here.</p>
West Yorkshire & York Investment Committee	<p>The West Yorkshire and York Investment Committee has authority to progress schemes through the assurance process, as set out in section 2.3 below.</p> <p>In relation to transport-related investment, the Committee also has a specific role in liaising with the Transport Committee to promote the strategic alignment of regional transport funding investment.</p> <p>The Committee is also authorised to advise the Combined Authority in relation to any function of the Combined Authority relating to economic development and transport-led regeneration. This includes advising on proposed funding submissions and reviewing the impact of schemes funded by the LEP and the Combined Authority.</p> <p>The terms of reference, membership, future meeting dates and agenda items of the Committee can be found here.</p>

2.2.3 Other committees of the Combined Authority

The Combined Authority also has the following committees.

Table 2.3: Other committees of the Combined Authority

Overview and Scrutiny Committee	<p>This is a statutory committee of the Combined Authority which reviews and scrutinises decision-making by the LEP and by the Combined Authority (including in its role as accountable body for the LEP). See further section 3.8 for more detail.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found here.</p>
Governance and Audit Committee	<p>This committee fulfils the Combined Authority’s statutory requirement to appoint an audit committee. It also carries out functions relating to promoting standards of conduct. See further section 3.7</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Committee can be found here.</p>
Leeds City Region Partnership Committee	<p>This committee provides a forum to bring together local authority representatives from all of the Leeds City Region authorities, to facilitate direct collective engagement with the Combined Authority, as the LEP’s accountable body.</p> <p>The Committee advises the Combined Authority in relation to its role as accountable body. It also acts as a consultative forum on any matter referred to it by the Combined Authority, which may include matters raised by local authorities not represented on the Combined Authority, or by the LEP Board.</p> <p>The terms of reference, membership, meeting dates and agenda items of the Committee can be found here.</p>

2.2.4 Business Communications Group

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

The Chair of BCG is the identified LEP Board member to represent the SME business community. See further section 4.1 for more detail.

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

2.3 Investment Decisions – progress through the assurance process

All investment decisions are made by reference to:

- the SEP (until superseded by the SEF and the ambitions of the Local Industrial Strategy in Spring 2020);

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- statutory requirements;
- any grant conditions attached to funding;
- local transport objectives
- funding programme objectives;

Decisions are based on merit, taking into account all relevant information.

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

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

Figure 2.2: Overview of the assurance process



Subject to the exceptions outlined above, **all programmes and projects require approval from the Combined Authority at Decision Point 2 (Strategic Outline Case (SOC))**, in order to proceed to Stage 2 (Development). Where a programme is approved at Decision Point 2, all projects within that programme also require approval from the Combined Authority at Decision Point 3 (Outline Business Case).

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

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

Possible options include:

- a scheme must be considered and gain the approval of the Combined Authority at each decision point during its development; or
- a scheme's approvals at subsequent decision points may be delegated to the West Yorkshire and York Investment Committee and/or the Managing Director, subject to scheme tolerances set at decision point 2 (SOC); or
- a scheme's approvals at subsequent decision points may be delegated to the Managing Director, provided that the project remains within scheme tolerances set at decision point 2 (SOC); or

- a scheme’s approvals may be delegated to the Managing Director up to an identified decision point, at which point, the scheme should be referred back to the West Yorkshire and York Investment Committee and/or the Combined Authority for review or approval.

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

Before taking any funding decision, a decision-maker needs to be satisfied that the Assurance Framework has been complied with. The Combined Authority’s Programme Appraisal Team (PAT) has a key role in ensuring compliance with the Assurance Framework, see further Section 6.3.5 below.

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

Table 2.4: Decision-making authority of the Transport Committee and West Yorkshire and York Investment Committee

Transport Committee	The Committee has authority to approve individual schemes within the Integrated Transport Block of the Capital Programme, up to a maximum cost of £3 million. (For schemes over £3 million, approval is given by the Combined Authority).
West Yorkshire & York Investment Committee	The Committee has authority to make any decision to progress a scheme ⁹ under the Assurance Framework ¹⁰ in accordance with any bespoke approval pathway and approval route for the scheme ¹¹ , as delegated by the Combined Authority.

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

2.4 Growth Service, Economic Development Loans and Business Grants

There are currently specific arrangements in place in relation to the approval and appraisal of business grants and economic development loans.

⁹ Including determining change requests

¹⁰ After decision point 2 (SOC) only

¹¹ With the exception of those cases where the decision would result in a revised financial approval which exceeded the cumulative total of the financial approval and tolerance threshold agreed by the Combined Authority at decision point 2 (SOC), or decision point 3 (OBC) by more than 25%, in which case the decision must be taken by the Combined Authority.

Table 2.5: Growth Service, Economic Development and Business Grants

Growth Service	<p>The Growth Service for the City Region is funded directly from the Department for Business, Energy and Industrial Strategy (BEIS), with £512,500 awarded for 2019/20 and 2020/21. Additional funding of £1.7m has been secured from the European Regional Development Fund (ERDF) from April 2019 to March 2022.</p> <p>19 SME Growth Managers operate within the City Region’s local authority partner councils. 8.5 are fully funded through ERDF funding and 10.5 are funded on a 50/50 basis with BEIS funding which is matched by the local authorities who also employ them. Detailed progress on the Growth Service project is reported on a quarterly basis to the Business Innovation and Growth (BIG) Panel and on a 6-weekly basis to the LEP Board by the BIG Panel Chair. There is also a private sector lead on the BIG Panel for the Growth Service, who is the owner of a small business. The BIG Panel is responsible for reviewing whether the project’s output and expenditure targets are met and for identifying and addressing risks and opportunities. In addition, detailed six-monthly reports and quarterly financial claims are sent to BEIS and the Ministry of Housing, Communities and Local Government in respect of the ERDF funding.</p>
Economic Development Loans	<p>Using a framework set out by the LEP, decisions are taken about entering into economic development loans for the Growing Places Fund, following consideration of the recommendations made by the Business Investment Panel (which has public and private sector representatives) and the West Yorkshire and York Investment Committee. The Combined Authority approves projects and the loan amount in principle and the Managing Director under their delegated authority finalises and approves the details, following appropriate due diligence.</p> <p>If there is an objection or issue in relation to an application, the Managing Director refers the application back to the Combined Authority for further consideration.</p> <p>The Managing Director reports decisions on loans and grants made under delegated authority to subsequent Combined Authority meetings.</p>

Arrangements in relation to **economic services grants** are set out in Appendix 4 of the Assurance Framework. In addition, arrangements relating to the principles for ESIF Sustainable Urban Development (SUD) purposes are set out in Appendix 5.

3. TRANSPARENCY AND ACCOUNTABILITY

3.1 Transparency

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

The Combined Authority designates a statutory **Monitoring Officer** who is responsible for ensuring that decisions conform to the relevant legislation and regulation¹². This role is carried out by the Combined Authority's Head of Legal and Governance Services, who is responsible for providing legal advice to the LEP and the Combined Authority. A key part of the Monitoring Officer's role is ensuring that the legal responsibilities of the Combined Authority as accountable body in relation to ensuring the transparency provisions are met, as set out below.

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

3.2 Meetings

Agendas, reports and minutes of **the LEP Board** are published on the Combined Authority's website, which is accessible from the LEP website, as well as details on our strategies and information relating to progress on delivery of all programmes. Agendas and reports (except any information which is confidential or exempt) are published five clear days before a LEP Board meeting in accordance with the LEP Board's Procedure Rules and the Access to Information Annex which can be found [here](#).¹³

These Rules also set out more detail on decision-making, including quorum arrangements for meetings of the LEP Board. All meetings of the LEP Board are open to the public, (including the LEP's annual meeting), except to the extent that the public are excluded in relation to confidential or exempt information in accordance with the LEP Board's Procedure Rules and the Access to Information Annex.

Minutes of each meeting are published in draft within ten clear working days of a meeting taking place. The final minutes are published within ten clear working days of being approved.

A process for the LEP Chair to take urgent decisions outside of LEP Board meetings is set out in the LEP Constitution [here](#). This provides for any such decision to be

¹² The Monitoring Officer is required by law to formally report to the Combined Authority where it appears to the Monitoring Officer that any proposal, decision or omission of the Combined Authority is unlawful or amounts to maladministration.

¹³ The Cities and Local Growth Area Lead has an open invitation to attend meetings as an observer.

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reported to the next meeting of the LEP Board and recorded and published in the minutes of that meeting. This power may be exercised, for example, to approve amendments to LEP governance documents, in order to comply with government requirements.

The business at each LEP Board meeting also includes receiving the minutes of, or an update from, the Combined Authority and any relevant Combined Authority advisory committee or panel.

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

- the public's right to attend meetings and inspect documents of the Combined Authority as set out in its Procedure Standing Orders
- meetings of the Combined Authority are live streamed, enabling the public to watch the meeting over the internet
- notice of any up and coming key decision will be published on the Combined Authority website twenty-eight days in advance of the decision
- agendas and reports of meetings of the Combined Authority and its committees (including advisory panels) are available to the public on its website, five clear days before a meeting [here](#)
- minutes of meetings are published on the Combined Authority website
- business case summaries of all projects/programmes coming forward for a decision are published on its website. Summaries of projects/ programmes can be found [here](#)
- key decisions taken by officers are published on the Combined Authority website
- The Combined Authority adheres to the Local Government Transparency Code which requires the publication of additional data
- The business at each ordinary meeting of the Combined Authority includes receiving the minutes of the LEP for information.

3.3 Diversity Statement

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

3.4 Requests for information and Data Protection

The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and responds to statutory information requests in accordance with approved procedures.

The Combined Authority also deals with any requests for information from the LEP on its behalf, in accordance with the same procedures. Further information on the

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Combined Authority's Freedom of Information/Environmental Information Regulations & Transparency Policy can be found [here](#).

The Combined Authority is subject to the General Data Protection Regulation and Data Protection Act 2018 and must by law appoint a Data Protection Officer (DPO). The DPO¹⁴ assists the Combined Authority on the monitoring of compliance with the data protection legislation, advises on data protection obligations, provides advice regarding Data Protection Impact Assessments and is the contact point for data subjects and the supervisory authority.

The LEP and Combined Authority respect and are committed to compliance with the Data Protection legislation. The privacy notice can be found [here](#).

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

The Combined Authority's Data Protection and Confidentiality Policy can be found [here](#)

3.5 Information about business cases

An overview of all scheme business cases and evaluation reports are published on the Combined Authority website.

Summaries of business cases to be considered by the West Yorkshire and York Investment Committee as part of the assurance process (See Sections 5 and 6) are published electronically ahead of meetings. There are exceptions to this rule in respect of commercial confidentiality.

Following approval at key decision point 2, or decision point 3 where part of a programme, links to the business case summaries for all projects can be found on the Combined Authority's project pages [here](#). These project pages now also include links to relevant news articles.

3.6 Use of resources and accounts

The use of resources by the Combined Authority are subject to the usual local authority checks and balances, including the financial duties and rules which require councils to act prudently in spending. These are overseen by the Combined Authority's Section 73 Chief Finance Officer¹⁵, its Director of Corporate Services. This post has statutory responsibility to administer the Combined Authority's financial affairs and is responsible for ensuring that funding is used legally and appropriately. The Section 73 Chief Finance Officer's role extends to the LEP - see further Section 1.3 above and Appendix 2. All reports to the LEP Board must include any written advice on the matter provided by the Combined Authority's Section 73 Chief Finance Officer and Monitoring Officer.

The Combined Authority has clear accounting processes in place to ensure that all funding sources are accounted for separately and that funds can only be used in

¹⁴ The DPO sits within the Combined Authority's Legal and Governance Services team

¹⁵ Appointed under Section 73 of the Local Government Act 1985

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accordance with formal approvals made under the LEP and Combined Authority decision making arrangements.

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

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

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

3.7 Audit

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

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

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

The Combined Authority's Governance and Audit Committee fulfils the requirement to appoint an **audit committee**. By law this must include at least one independent person. The membership now includes two independent persons and one of these has been appointed to chair the Committee in the current municipal year. The independent person chairs the Committee.

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

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

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

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

3.8 Scrutiny

To secure independent and external scrutiny of decisions, the Combined Authority's statutory Overview and Scrutiny Committee reviews and scrutinises decision-making by the LEP and by the Combined Authority.

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

The Committee may produce independent reports and make recommendations on any matter considered by the LEP or relating to LEP governance. It may also review or scrutinise any Combined Authority decision in its role as accountable body for the LEP.

The LEP may also seek input from the Committee on any issue relating to policy and strategy development, or otherwise.

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

The LEP and the Combined Authority receive an annual report from the Committee at their annual meetings.

Further details on the LEP's agreement with the Combined Authority (in its role as Accountable Body) in respect of scrutiny arrangements are set out in **Appendix 1**.

The Overview and Scrutiny Committee has a specific power, in accordance with its Scrutiny Standing Orders, to "call in" decisions¹⁶ for further scrutiny after they are made. If the threshold of five scrutiny members, with at least two from different local authority areas, is met the Committee may instruct that the implementation of a decision be deferred while post-decision scrutiny takes place and make recommendations to the decision maker.

Following the publication of new statutory scrutiny guidance by the Government on 7 May 2019, the Committee began an internal review of the effectiveness of current scrutiny arrangements in order to strengthen its role in undertaking pre-decision scrutiny of impending project approvals and projects in delivery.

To support pre-decision scrutiny, officers maintain a forward plan of projects in development and anticipated timescales and decision-point milestones which is available to scrutiny members to review periodically on request.

Following the technical appraisal of business cases by case officers and subsequent consideration by the Programme Appraisal Team (PAT), officers ensure that the

¹⁶ Including investment decisions at decision point 2 of the assurance process.

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relevant documents, information and analysis relating to each project can be made available to scrutiny members on request.

Schemes might be selected for further scrutiny based on a sectoral mix around cost, risk, complexity, aimed benefits or strategic value – as determined by the Committee's priorities and work programme. Scrutiny members are able to look closer at a particular project or selection of projects.

Officers support scrutiny members to have the opportunity to review projects, raise any concerns and ensure comments are reported and brought to the attention of decision-making committees and officers prior to the approval and progression of projects through decision points.

The pre-decision scrutiny review process serves as an important function in parallel to the assurance process, not as an additional step to delay the progress of projects in development as a matter of course.

3.9 Code of Conduct and Managing Conflicts of Interest

The LEP Board

The LEP is committed to ensuring that LEP Board members and officers demonstrate the highest standards of conduct, and act solely in the public interest. All LEP Board members are subject to a LEP Board Members' Code of Conduct [here](#) which reflects the Nolan Principles of public life:

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

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

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

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

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

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

The Combined Authority

Statutory provisions require the Combined Authority to adopt a Members' Code of Conduct which applies to members of the Combined Authority and to voting members of committees and panels appointed by the Combined Authority, including the advisory panels which report to the LEP. The Code sets out the conduct expected of members, including procedures for declaring and registering:

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

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

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

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

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

Conflicts of Interest Policy

The Combined Authority and the LEP have adopted a Conflicts of Interest Policy which provides an overview of how conflicts of interest are managed. Appended to the Policy is a Conflicts of Interest Protocol: loans or grants to businesses which sets out a process which the LEP and the Combined Authority follow to demonstrate that applications from businesses for loans or grants are dealt with in an impartial, fair and transparent way [here](#).

Officers

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

Senior officers and other officers involved in advising on LEP decisions are also required to complete and keep under review a separate LEP Officer register of interests. The register of the LEP's Chief Executive Officer is published on the LEP website [here](#).

3.10 Complaints and whistleblowing

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

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

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

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

3.11 Resources and capabilities

The LEP and the Combined Authority ensure that members and officers have the capacity and capability to deliver their respective roles. They support people to develop their expertise and update it to take account of developments.

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

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

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

4. LOCAL ENGAGEMENT AND PARTNERSHIP WORKING

4.1 Local Engagement

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

To support this process, a set of consultation and engagement protocols have been developed and the Consultation and Engagement teamwork with colleagues to ensure these principles are applied in any consultation and engagement activities that are undertaken. As well as carrying out insightful and robust consultation and engagement activities, relevant legislation must be adhered to. Partners are encouraged to adhere to these protocols where possible.

Engagement with stakeholders and the wider public is as inclusive as possible, using the following principles:

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

To support any face-to-face engagement, a digital engagement hub ([yourvoice](#)) has been developed that enables information to be shared and feedback sourced electronically in a more interactive way. Tools available to use include surveys, Q&A, mapping, polls, forums, guest books, newsfeed, ideas and stories. A screen shot of the Your Voice web page can be seen in Figure 4.1 below.

Figure 4.1: Your Voice website page



Stakeholders are engaged in all work that the LEP and Combined Authority undertake. Regular updates are provided to existing panels and committees such as the District consultation sub committees. As part of the LEP's work with business, a Business Communications Group has been established, made up of representatives from key business organisations in the City Region. The group plays an active role in supporting business growth in the region by helping to coordinate effective communications between the LEP and the business community. The group also acts as an advisory group to the LEP Board; consulting with their members on barriers to growth and ensuring businesses are at the heart of all activities.

A Partnership Strategy has been developed and engagement and communication with partners takes place through a range of channels, including social media, press releases, websites, events and e-newsletters. Social media has been used particularly effectively for informal engagement on policy, future strategy and project development.

New methods to engage with key stakeholders, businesses and the public are continually sought, and effectiveness and lessons learnt are monitored.

4.2 Arrangements for collaborative cross-LEP working

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

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

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

The LEP collaborates with other neighbouring LEPs on many areas of its businesses and details about these collaborations, and further potential opportunities, are regularly reported to the LEP Board.

4.3 How growth priorities are supported by collaboration and joint delivery

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

The LEP delivery of **Skills Capital** allows for greater coherence and understanding in the way that further education providers across the City Region are aligning curriculum offers to reflect the skills requirements set out in the Leeds City Region SEP and skills strategy. The Employment & Skills Panel (see Table 2.1 for further information about this Panel) review conditions for the grant programme to address gaps in skills provision and to hold an overview of future revenue allocations. Collaboration with partners supports the understanding of employment opportunities in the region to maximise Gross Value Added (GVA). It encourages improved collaboration between colleges and employers so that new curriculums are more aligned to employer needs.

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

The Combined Authority’s **transport strategy and policy teams**, working closely with partner councils, Network Rail and Highways England, operate and run a

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strategic Land-Use Transport Interaction (LUTI) model which can forecast evidence to support the impacts of investment priorities on employment, housing and GVA. These models are also used to test investment projects and programmes to help sift into priorities and inform their strategic business cases. They are particularly helpful in understanding cross-boundary implications of investment and transport policies.

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

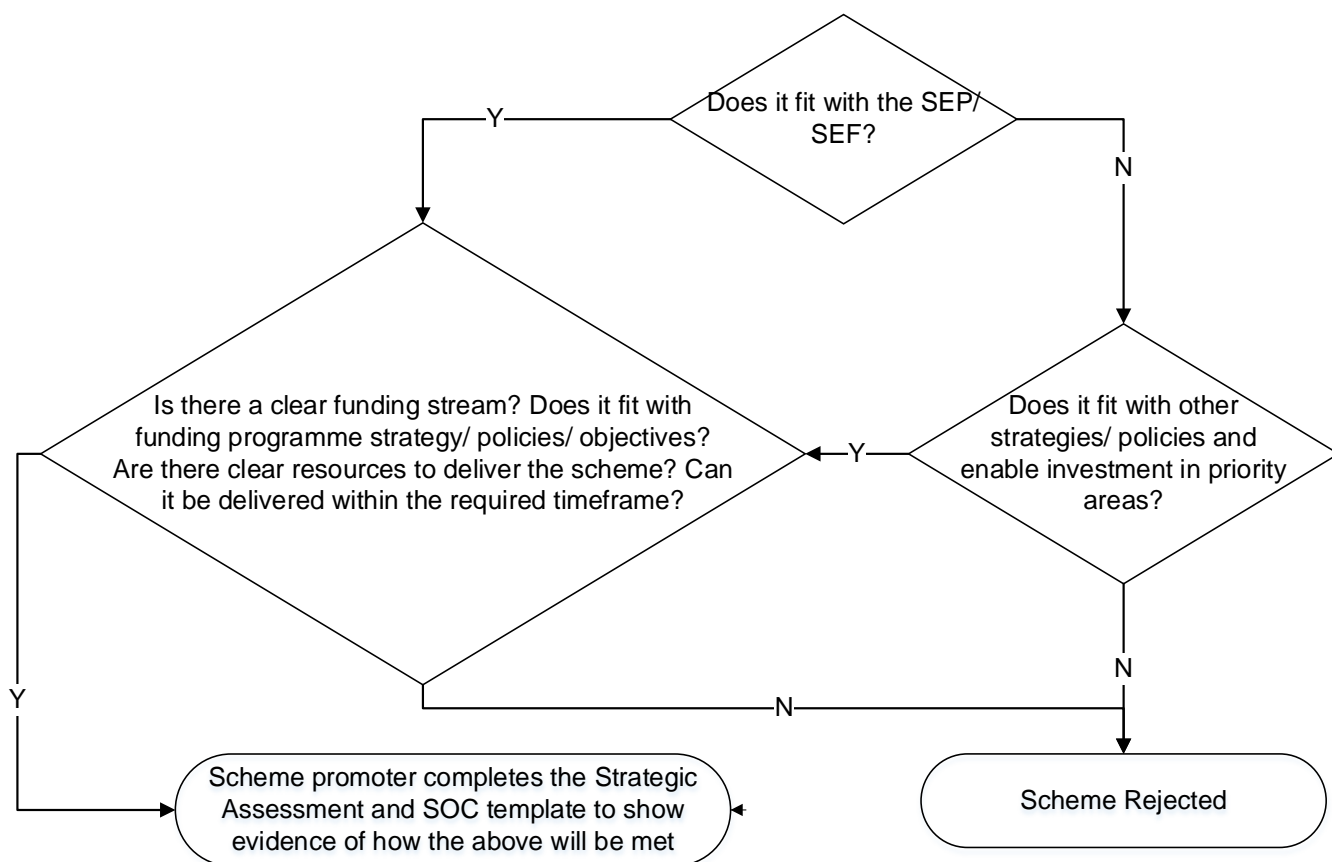
5. APPROACH TO PRIORITISATION

5.1 Introduction

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

5.2 Identifying candidate schemes

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



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

Calls for proposals

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Other avenues for potential schemes to access funding opportunities from the LEP/the Combined Authority could be through funding competitions with specified deadlines for submissions as well as open calls where the LEP/the Combined Authority will be seeking ongoing Business Case submissions from scheme promoters.

5.3 Methodology for prioritising investment

Once schemes have been identified, the prioritisation of schemes to enter the process (at Stage 1) is then critical to the creation of a focused programme of investment aligned with the long term ambitions for the city region as set out in the SEP, which, as detailed above, will transition during 2020 to the SEF.

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

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

5.3.1 Assessment criteria

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

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

The following assessment criteria are used:

- fit with the strategic objectives detailed in the SEP or SEF
- fit with the funding stream objectives
- clear evidence of the rationale and need (or demand) for the project
- the additional GVA and employment impacts as well as the wider benefits, at the Leeds City Region level
- contributes to 'good growth' aspirations. This will also now include inclusive and clean growth objectives
- clearly defined inputs, activities, outputs, and anticipated outcomes and an assessment of additionality of benefits
- proposed delivery timescales

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

Preference will be given to those schemes that:

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

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

5.3.2 Tools for estimating economic and wider benefits

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

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

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

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

- **Bespoke transport models** – will be developed and used for transport schemes to establish forecasts of the impacts of interventions.
- **The Regional Econometric Model (REM)** - will be used on non-transport schemes to help determine their net additional employment and net additional GVA impact.
- **The Urban Dynamic Model (UDM)** – will be used for transport schemes to understand how employment and GVA growth could be constrained without the proposed transport intervention(s). The work undertaken by Transport for the North (TfN), and the sharing of methodologies and best practice, are also important in this area
- **Skills Value Model** – An in-house approach has been developed to quantify the impact of skills interventions. The approach allows the estimation of potential increase in earnings attributable to acquiring a new qualification.

The Combined Authority are now in the process of procuring expert advice to frame and develop a robust quantifiable methodology for assessing all new scheme's predicted carbon emissions / wider clean growth impacts, building on the recent work to strengthen how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority's Assurance Framework (Decision point 1 and 2). This will include a review of all existing Combined Authority schemes and additional resource to support the development and implementation of the new assessments.

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

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

6. ASSURANCE AROUND PROGRAMME & PROJECT DELIVERY

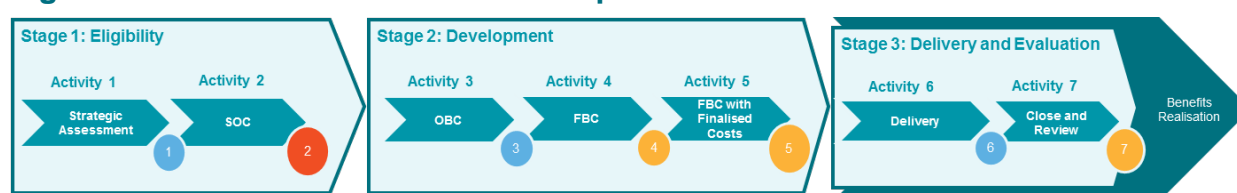
6.1 Introduction

This section sets out how the assurance process is used in the development and delivery of all LEP/West Yorkshire Combined Authority projects and programme investments.

6.2 Assurance process

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

Figure 6.1: Overview of the assurance process



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

The assurance process is used by the following:

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

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

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

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

Overview of the assurance process

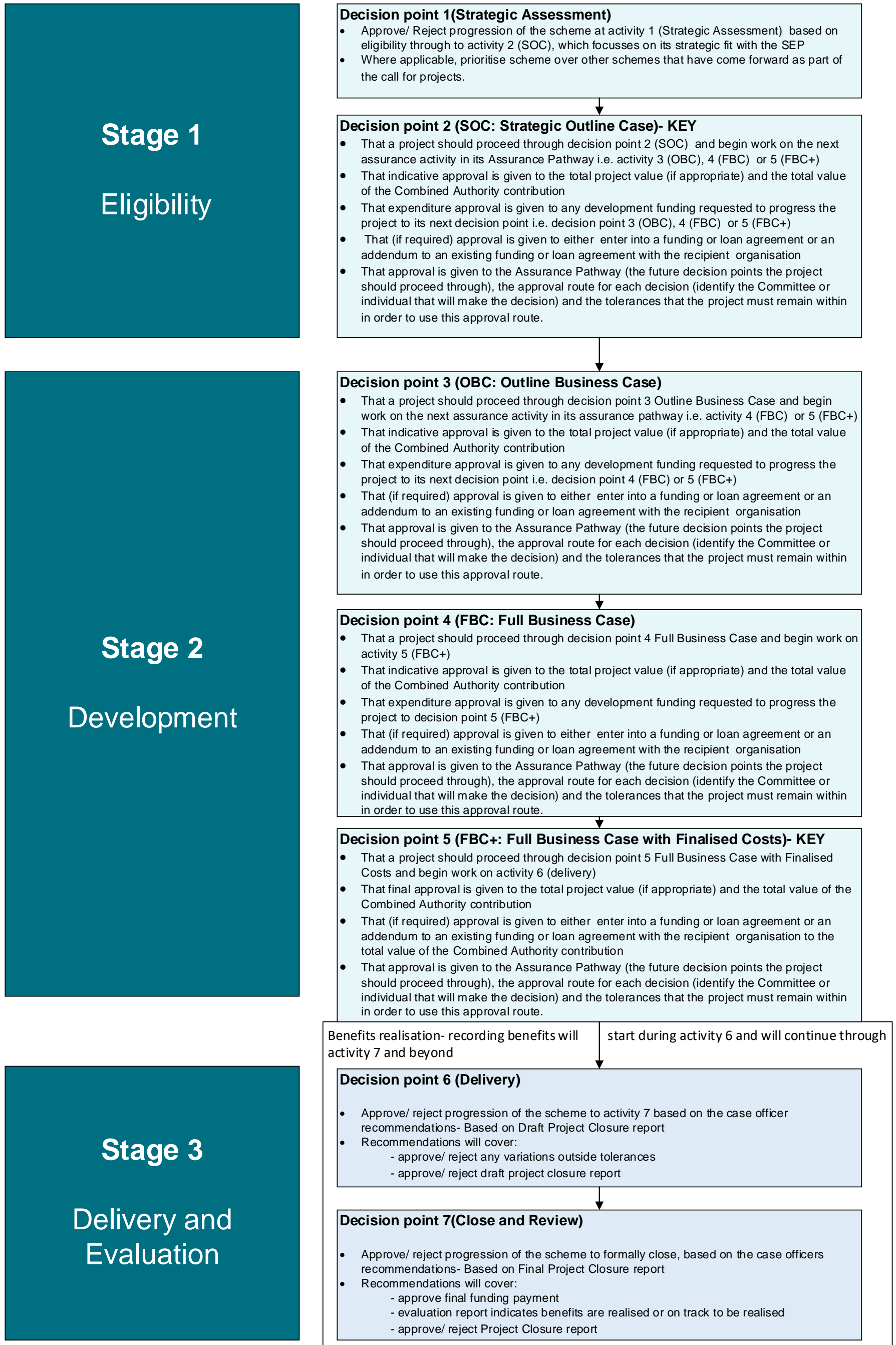
Under each stage outlined above there are a series of activities (7 in total) that need to be carried out in order to progress each scheme. Whilst there are seven possible activities, not all would apply to all schemes and the process and intensity of appraisal applied can be tailored for each scheme depending on its type, scale and complexity, with the appropriate activities applied (e.g. not all schemes will be required to complete an outline business case (decision point 3); they could proceed straight to full business case (FBC), decision point 4).

Benefits realisation is considered to be something that runs through all of stage 3 (Delivery and Evaluation). Scheme promoters should gather baseline information and be starting to capture benefits as soon as the scheme is being delivered in activity 6 (Delivery), and this will continue through scheme closure and beyond.

At the end of each activity, a scheme is required to go through a decision point. It is here where a scheme is appraised against the HM Treasury ‘five cases model’¹⁷. As such, project sponsors must demonstrate that a robust, accurate and compelling business case exists at each stage of the process (subject to the assurance pathway and approval route as recommended by the Combined Authority’s Programme Appraisal Team (PAT). All schemes must be approved by the Combined Authority at decision point 2 (SOC). Subject to the exceptions, such as small grant programmes, for example, business growth grants and loans, where alternative arrangements are in place, all programmes and projects require approval from the Combined Authority at Decision Point 2 (Strategic Outline Case (SOC), in order to proceed to Stage 2: Development. Where a programme is approved at Decision Point 2, all projects within that programme also require approval from the Combined Authority at Decision Point 3 (Outline Business Case). Further information can be found in Figure 6.2.

¹⁷ The HM Treasury “five cases model” includes the Strategic, Commercial, Economic, Financial and Management cases.

Figure 6.2: The assurance process- This applies to all LEP and Combined Authority funded schemes



6.3 Business case requirements at each stage of the assurance process

A key objective of the Assurance Framework is to support the Combined Authority in assessing whether potential investments offer good value for money and have the capacity to generate and deliver the growth objectives set out in the SEP or SEF, or specific objectives relevant to a funding stream or other strategic objectives.

Along with the focus of the business case changing as a scheme progresses through the assurance process, the focus of the business case appraisal is structured around a series of key appraisal questions which enable the appraiser to review and test the evidence presented in the business case across the 'five cases'. Project promoters are provided with the key appraisal questions in order to guide the presentation of evidence in the business case.

All projects will undergo a 'five cases' assessment, in line with the Treasury Green Book, to ensure a project demonstrates that the outcomes and outputs are deliverable, that the associated business case is a sound one and that the scheme represents value for money. This process was modified in March 2019 to align more closely with Green Book principles and is now fully embedded.

Stage 1: Eligibility

Changes to stage 1 have now been embedded and there has been full migration to the new approach.

As part of activity 1 (Strategic Assessment) of the assurance process, the promoter is required to complete a Strategic Assessment form. For the majority of schemes, this will be completed in the initial stages of scheme development to enable early testing of the scheme with the Combined Authority. At this stage the scheme information will consist of the challenge which the scheme seeks to address and a high-level identification of the possible strategic responses that could be implemented to address the challenge (rather than a specified single option). The Strategic Assessment form has a number of purposes:

- To provide the Combined Authority with information on a scheme proposal.
- To identify the potential for the scheme to deliver against the LEP/Combined Authority's policies, strategies, plans, targets and indicators (its strategic fit).
- To provide a high-level range of costs and programme information.

The Strategic Assessment Form will be considered by Combined Authority Strategic Assessment Review Group (SARG), a panel made up from the Combined Authority Policy and Delivery officers. The SARG terms of reference can be found at Appendix 7 of the Assurance Framework. They will determine:

- If the scheme is eligible for LEP/Combined Authority funding.
- If the scheme has sufficient strategic fit to proceed to activity 2 (SOC), and if there is potential for a greater level of strategic fit through the consideration of a wider range of options.
- Based on the high-level cost and programme provided, what level of funding contribution can be made to the scheme based on the funding streams the Combined Authority will have available to it at the relevant time.

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- Any recommended conditions that will need to be fulfilled during activity 2.

If SARG officers assess that the scheme sufficiently meets the eligibility criteria above it will be recommended to the Director of Delivery, in discussion with the Director of Policy, Strategy and Communications, for approval to proceed to activity 2 (SOC) of the assurance process.

Approval at decision point 1 (Strategic Assessment) provides promoters with assurance that the scheme is determined to be eligible for LEP/Combined Authority funding and it is a worthwhile investment for the Promoter to commit resources to the further development of the scheme. Decision point 1 approval does not guarantee that a funding allocation will be made for the scheme within the LEP/Combined Authority's portfolio. This decision would instead be made at decision point 2 in most instances.

Following progression through decision point 1 (Strategic Assessment), all schemes will progress to activity 2 and the promoter will then be required to complete a Strategic Outline Case (SOC). The SOC will provide evidence of how the scheme performs against each of the Treasury's five cases (strategic, commercial, financial, economic & management) but will place most focus on the strategic case for the scheme and the initial economic appraisal. In line with the HM Treasury's Green Book guidance, this will involve the appraisal of the long list of potential options, in order to select a "preferred way forward". The preferred way forward will encompass a short list of selected options, which will ultimately be assessed as part of activity 3 (Outline Business Case - OBC). Each option identified as part of the preferred way forward will have a high-level cost, programme and benefit forecast and will clearly demonstrate why that option has been selected over and above other options identified as part of the long list process.

In advance of the SOC being submitted to the Combined Authority, a case officer will be assigned to the scheme. Once the SOC is received by the Combined Authority the case officer will undertake the SOC appraisal. This appraisal will determine and recommend whether a scheme proposal proceeds through decision point 2 (SOC) into Stage 2 (Development) of the assurance process and is invited to prepare a business case – outline or full – depending on the agreed pathway.

A summary of the criteria used to aid the stage 1 (Eligibility) assessment and prioritise and select those schemes that will progress to stage 2 (Development) are set out in Table 6.1 below.

Table 6.1: Overview of the Stage 1 assessment criteria (Strategic Assessment and Strategic Outline Business Case)

Criteria	Description
Strategic Case	<ul style="list-style-type: none"> • Has the problem, market failure or opportunity been clearly identified? • What are the options identified to address these problems, market failures or opportunities? • Is it clear why LEP or Combined Authority investment is needed and what it will be used for? • Has the scheme's potential to contribute to priorities and targets of the SEP, and the wider adopted priorities and policies of the Combined Authority been demonstrated? • How does scheme contribute to key local, regional or national policies and strategies, and objectives of potential funding programmes? • How will the scheme contribute to the ambitions of the region to create inclusive growth within the region? • Has the contribution or negative impact of the scheme to the region's aim to make the city region a net zero economy by 2038 been clearly identified? • Have the scheme objectives been clearly set out?
Commercial Case	<ul style="list-style-type: none"> • Is the market for the project clearly understood? • Does the project unlock other downstream investments? • Has the scheme considered how it will procure the solution?
Economic Case	<ul style="list-style-type: none"> • What potential does the project/programme have to deliver economic benefits/growth e.g. through jobs, unlocking sites, skills uplift, etc.? • Have Critical Success Factors (CSFs) been identified? • Do projected outputs and outcomes appear realistic/achievable? • Has an appraisal of the options been undertaken, and a preferred way forward been identified? • Where appropriate has scheme benefits and wider economic benefits been identified and assessed by employing suitable and proportionate methodology such as model tools, e.g. Urban Dynamic Model (UDM) or the Regional Econometric Model (REM)

	<ul style="list-style-type: none"> Does the project appear to offer the potential of reasonable value for money and where possible has this been presented in the form of a benefits cost ratio for each of the options shortlisted in the preferred way forward?
Financial Case	<ul style="list-style-type: none"> Is the amount and timing of LEP or Combined Authority investment and match funding clearly set out for each short-listed option in the preferred way forward? Has the loan first principle been considered? Has other funding been confirmed or is there a clear timescale for confirmation? How are the scheme costs made up? Are they robust and realistic?
Management Case	<ul style="list-style-type: none"> How will the scheme be managed, are the appropriate arrangements in place / outlined? How 'delivery ready' is the project? Are delivery timescales clearly indicated and are they realistic? E.g. A high-level development and delivery timetable identifying any potential barriers or constraints (e.g. planning, legal, land ownership issues). What are the main risks facing this scheme? How will the scheme be managed, are the appropriate arrangements in place / outlined? How will the scheme be managed, are the appropriate arrangements in place / outlined? Is there a Risk Register and/or Risk Plan? Are there any potential barriers/constraints to the scheme that will impact on delivery? Are there any linkages/Interdependencies with other schemes that could affect delivery? Have the Data Protection and Equality impact assessments been completed for the scheme?

Stage 2: Development

The Business Case template uses a detailed 'five cases' assessment of the scheme that demonstrates that the outcomes and outputs are deliverable, that the associated business case is a sound one and that the scheme represents value for money.

At this stage the Business Case template seeks to build on the evidence presented in the SOC in order to present a preferred option from the SOC shortlist and the full details of the scheme across the 'five cases' model.

Table 6.2: Stage 2 assessment criteria (business case)

Criteria	Description
Strategic Case appraisal	<ul style="list-style-type: none"> • Does the project clearly set out its objectives (are they specific, measurable, achievable, relevant and time constrained)? • Does the project clearly set out the key activities to be funded Does the project clearly set out the strategic drivers for this investment? • Does the project contribute to the achievement of the Leeds City Region’s Strategic Economic Plan of SEF? • Does the project link to other activity being delivered either within the City Region or nationally? • Does the project meet other national, sub-regional and local strategies and policies? • Does the project set out why LEP or Combined Authority funding is required in order to be undertaken? <p>Has the project undertaken any engagement/consultation with key stakeholders and beneficiaries affected by the scheme?</p>
Commercial Case appraisal	<ul style="list-style-type: none"> • Has the project provided evidence to support the market demand justification for this project? • Has the project provided evidence to support the projected take-up by the market? • Does the project have a preferred procurement strategy/approach? • Has the project considered risk allocation and transfer? • Has the project considered Statutory and Other Regulatory Consents?
Economic Case appraisal	<p><u>All Projects:</u></p> <ul style="list-style-type: none"> • What long list of options have been considered? • What critical success factors (CSF) have been used to evaluate the long list of options? • How has the long list of options been appraised? • What are the short list of options? • How has the short list of options been appraised? • How does the scheme contribute to the SEP/SEF Headline Indicators? • What methodologies have been used to calculate the monetised benefits? • What methodologies have been used to calculate the monetised costs? • How is uncertainty in the appraisal dealt with? • Does the project identify any wider benefits? • Does the project identify any low carbon and environmental benefits? • What is the scheme value for money position? • Is the preferred option clearly defined?

Criteria	Description
	<p><u>Additional assessment criteria for transport projects:</u></p> <ul style="list-style-type: none"> • What methodologies have been used for modelling and appraisal of the scheme? • What transport model(s) have been used for the scheme appraisal? • What forecasting methodologies have been used for the scheme appraisal? • How has the impact of the scheme on travel demand and behaviour been incorporated? • How is uncertainty in the appraisal dealt with? • How the scheme impacts across different social groups? • Does the project have an Appraisal Summary Table?
<p>Financial Case appraisal</p>	<ul style="list-style-type: none"> • Has the project got a calculated outturn capital cost? • Has the project got a clear cash flow and funding profile? • Does the project have any revenue, ongoing/operational costs associated with it? • Does the project have any other funding sources? • Have the main financial risks been identified? • Has the project addressed how will cost overruns would be dealt with? • Does the project offer any potential to generate a commercial return to pay back funding? • Does the project have any State Aid issues to address? • Is the Combined Authority funding a loan and what are the key terms for repayment/security?
<p>Management Case appraisal</p>	<ul style="list-style-type: none"> • Does the project have a clear delivery plan? • Is there more than one delivery partner involved in the delivery of this project? • Does the project have a clear programme? • Has the project set out any delivery constraints? • Does the project have an adopted approach towards risk management? • Has the project completed a Quantified Risk Assessment (QRA)? • Does the project have a Communications Strategy? • Does the project have a Benefits Realisation Plan? • Does the project have Monitoring and Evaluation Plan? • Has the project set out how change will be managed?

A Case Officer is appointed from the Portfolio Management and Appraisal team who is independent of the unit or organisation responsible for developing and promoting the business case. The Case Officer seeks appropriate support from internal experts and if necessary, appoints external experts in appraising the business case. The

Case Officer provides impartial advice and recommendation on the merit and Value for Money position of business cases for decision makers.

The business case appraisal is effectively a risk-based appraisal that is designed to enable the case officer to test and report on key scheme risks across the five cases. This ensures that decision-makers at any level of delegation fully understand scheme risks, particularly in terms of benefits realisation, financial outcomes and value for money. It provides the basis on which any conditions precedent for a funding agreement can be proposed.

Business cases are rated against an appraisal framework and each of the five cases is given a RAG (red, amber, green) rating based on the response to the key appraisal questions as follows:

RED	Does not adequately address one or more of the key assessment questions
AMBER	Addresses all of the key assessment questions but specific issues may require further consideration or action
GREEN	Presents a clear and comprehensive response to the key assessment questions

The main findings in respect of the five cases are then brought together into a single assessment summary and an overall scheme RAG rating. It is anticipated that schemes receiving an overall red rating may require the applicant to provide extensive additional information prior to subsequent reappraisal. Schemes receiving an overall amber rating may require special conditions (or conditions precedent) to be addressed prior to a final decision being made. There may also be conditions concurrent or subsequent included in any resulting grant agreement between the applicant and the accountable body, which require resolution in advance of the next decision point.

6.3.2 Assessment of economic impact & value for money

A range of toolkits and approaches are used to demonstrate the wider economic benefits and value for money in order to prioritise and assess the overall Business Case for a scheme. In line with recognised VfM guidance, the assessment will consider:

- **Economy:** Minimising the cost of resources used
- **Efficiency:** The relationship between the output from goods or services and the resources to produce them
- **Effectiveness:** The relationship between the intended and actual results of public spending (outcomes and meeting objectives)

As set out in the LEP National Local Growth Assurance Framework guidance, the methodology used to assess VfM will be in line with the established guidance prescribed by the relevant government department:

Table 6.3: Methodology to assess value for money

Overarching	HMT Green Book and associated supplementary guidance are the central government’s definitive guidance on appraisal and evaluation of any investment made from public purse. For appraisal of any project the Combined Authority will follow the overarching principles set out in the Green Book and its supplementary guidance.
Transport	The standard against which the Combined Authority will assess the robustness of the economic case of transport projects in consistency with methodology set out in DfT’s Transport Analysis Guidance (TAG). TAG advises to appraise schemes in a proportionate manner. A judgment on proportionality and appraisal methodology is made on investment value, impact on society and environment and risks.
Housing	The appraisal will draw on advice and guidance from Homes England (HE) alongside MHCLG’s appraisal guide for residential and non-residential development.
Enterprise, business support and Innovation	These projects will need to demonstrate ability to deliver VfM through evidence-based Business Cases aligned with HM Treasury Green Book guidance, with a commitment to publishing results to add to the evidence base on what works and contribution to local and national policy goals and growth.
Skills Capital	The Appraisal will continue to draw on Education and Skills Funding Agency (ESFA) guidance.
Regeneration	Projects will be in line with the National Planning Policy Framework and the Planning Practice Guidance. For projects beyond housing and transport interventions, for example, enabling works, land assembly, utilities and/or public realm projects, the MHCLG appraisal guide will be used in helping to appraise their costs and benefits. Flood alleviation projects will be in line with Environment Agency Flood and Coastal Erosion Risk Management Appraisal Guidance, or Environment Agency Natural Flood Management guidance.

Guidance is now available relating to the inclusion of Land Value Uplift (LVU) in the economic case. Scheme promoters are advised to liaise with Combined Authority officers to agree the methodology to adopt for the calculation of these benefits at an early stage of the appraisal process.

The approach adopted for the appraisal of a scheme will be proportionate to the scale and risk of the proposal. Some **investment appraisal techniques** used are:

Table 6.4: Investment appraisal techniques

Cost Benefit Analysis (CBA)	This calculates the ratio of benefits and costs for a defined appraisal period (e.g. for large infrastructure scheme it can be 60 years) covered by the preferred proposal and other shortlisted options (including the do-nothing / do minimum ‘counterfactual’ position).
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Net Social Present Value (NSPV)	This calculates the difference between the present value of benefits to the society as a whole and the present value of investment made from public purse with any other private and public sector investment. Investments with a positive net present value will be acceptable.
Accounting Rate of Return	This compares the profit that is expected to be made from an investment to the amount that is needed to invest.
Internal Rate of Return	This measures the profitability of potential investments and allows schemes to be ranked by their overall rates of return rather than their present net values.
Payback Method	This calculates how long a scheme will take to pay back the money spent on it based on expected cash flows.

Wider economic impact assessment

In order to generate a prioritised shortlist of schemes, a wider economic impact assessment will be undertaken which uses a range of tools and models. The assurance process draws on a line of nationally recognised value for money benchmarks relevant to the type of scheme under review, for example:

- TAG for the appraisal of transport schemes
- HE Additionality Guidance and other appropriate sources, including MHCLG Appraisal Guidance for housing and regeneration schemes
- Evaluation evidence produced by central government departments and other appropriate organisations, such as the What Works Centre for Local Economic Growth

Other measures of value for money will be used where necessary to provide more information on the richness and scale of the potential impact of schemes. Such measures include:

- total cost per job
- total GVA per job
- cost benefit ratio
- grant per job

The adopted approach also aims to provide a 'level playing field' between the wide range of intervention types that are being considered across the four strategic priorities of the SEP. This, in conjunction with consideration of inclusive growth, allows the LEP and the Combined Authority to maximise the employment and productivity outcomes from available funding, as well as the geographical spread of these benefits.

6.3.3 Compliance with the Department for Transport's TAG guidance

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All transport schemes will be subjected to the minimum requirements on modelling and appraisal, Value for Money (VfM) statement, assurance and evaluation, as set out in the National Assurance Framework Guidance (LEP and Single Pot).

The modelling and appraisal work will be scrutinised to ensure it has been developed in accordance with TAG, is robust, and is fit for purpose. A review panel made up of the senior officers of the Combined Authority, referred to as the Programme Appraisal Team, or PAT, will be used, so that appropriate and independent recommendations can be provided to decision makers. Responsibility for quality assurance of the assessment and scrutiny will rest with the Combined Authority's Head of Portfolio Management and Appraisal (PMA).

An Appraisal Specification Report (ASR) should be developed by the scheme promoter at the start of stage 2 (development) and agreed with the Combined Authority, which sets out how the scheme will be appraised. In consistency with TAG, the promoter will not carry out any modelling and appraisal work for any activity in Stage 2 prior to ASR is agreed with the Combined Authority's assigned officer. All evidence supplied as part of economic case in all activities in Stage 2 will be appraised against methodology set out in agreed ASR. An Appraisal Summary Table (AST) and VfM Statement will be produced by following TAG and DfT's VfM guidance. A VfM Statement will be produced for decision makers summarising the conclusions from VfM assessment taking into consideration whether benefits outweigh the costs whilst identifying key risks and sensitivities that may affect the VfM conclusion. The statement will be prepared by the scheme promoter and PAT will have access to an independent review of the stated VfM position from internal or external experts. The experts will also set out what level of Analytical Assurance PAT and decision makers may attach to the VfM position based on quality of work, uncertainty in appraisal and risks.

To maintain VfM for major transport investments from public funds, the Combined Authority is endeavours to approve schemes with a final VfM of 'High' or above, but there will be circumstances, where a scheme with a VfM value lower than 'High' may be approved where the wider economic, strategic and clean growth benefits (improving the quality of the bus passenger experience and encouraging travel by sustainable modes, like walking and cycling) has been taken account of in the appraisal of these schemes.

Examples could be:

- A transport scheme that could unlock a major development site;
- A scheme which can be directly attributed to job creation and/or GVA growth;
- A scheme where public transport improvements may affect other motor users negatively thus yielding a relatively low BCR, but is closely aligned with the strategic objectives of the funding stream or the promoting authority to increase patronage for public transport;
- A scheme which encourages increased use of environmentally friendly modes such as walking and cycling but due to a low level of existing usage a high VfM may not achieved in appraisal.

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The justification will be set out in the reports seeking approval from the relevant decision maker.

Additionally, a transport scheme may have a low benefit cost ration (BCR) but is part of a programme that can evidence a 'high' BCR as a minimum. Some schemes may have a low BCR right through to FBC (decision point 4). When this is the case, a condition will be put on the scheme that final approval is subject to a satisfactory BCR being evidenced.

6.3.4 Appraisal proportionality

The level of appraisal will be proportionate to the nature, scope, impact and risks of each project and/or programme. For example, where a scheme carries greater risk and/or is more complex with considerable impact on society as a whole and on environment, the intensity of the appraisal will reflect this. This is not simply a matter of the financial scale of a project, but will also need to take account of how the project is structured, its processes and dependencies. The capital-intensive nature of transport projects and the accompanying high costs and significant direct impact on society and environment will mean that transport schemes will have different thresholds in terms of how they are treated.

The approach to appraisal is to be set out in the Appraisal Specification Report (ASR) following guidance and should be agreed with the responsible officer of the Combined Authority. Usually, where a project is multi-faceted and the elements are easily separable, proportionality will be based on the proposed costs of the various elements.

6.3.5 Who will undertake the appraisal of projects?

Strategic Assessment Review Group (SARG) The Strategic Appraisal Review Group (SARG) is comprised of West Yorkshire Combined Authority officers who undertake the review of Strategic Assessments submitted to the Combined Authority, as the accountable body for the Combined Authority and Local Enterprise Partnership LEP, at decision point 1 (DP1) of the assurance process.

The SARG is responsible for undertaking the assessment of potential schemes, for alignment and contribution to the policies and strategies of the Combined Authority, through the Strategic Assessment form that is submitted to the Combined Authority, at decision point 1.

The SARG provide evidence and recommendations to the Directors of Delivery, and Policy, Strategy and Communications on a decision for every Strategic Assessment submitted, for approval. The SARG agree any conditions that are required as part of a project/programme progressing through decision point 1, and which, subject to approval, will form part of the DP1 certificate.

The SARG consists of a core membership representing Combined Authority policy, strategy and communications, delivery and PMA functions. Attendance at PAT meetings is supplemented by case officers, independent technical advisers, promoters and their advisors, and other attendees as required to supplement the decision making process. Other officers may be invited onto the group, including

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relevant Policy Managers, depending upon the Strategic Assessment that is due to be submitted.

The SARD terms of reference are attached in Appendix 7.

Programme Appraisal Team (PAT)

The Programme Appraisal Team (PAT) is comprised of West Yorkshire Combined Authority officers who oversee the assurance process as projects/programmes progress through it, starting from Decision Point 2 and beyond.

The PAT is an internal assurance group and has no formal approval making powers. The PAT make recommendations, which are then reported through the current Combined Authority governance arrangements for a formal decision.

The PAT consists of a core membership representing Combined Authority programme delivery, PMA, policy, economic, legal, and financial functions. Attendance at PAT meetings is supplemented by case officers, independent technical advisers, promoters and their advisors, and other attendees as required to supplement the decision making process.

The PAT terms of reference are attached in Appendix 6.

The Combined Authority appraisal function

The responsibility for appraisal of projects sits with the Director of Delivery. Each scheme will be assigned a case officer when it enters the assurance process. The case officer is a Combined Authority officer, who will be responsible for carrying out the appraisal of a scheme. This may be done using expertise from the PMA team, or where necessary bringing together expertise from within the Combined Authority or from external advisors and partners. This may cover financial, transport, economic, property, legal matters and experience of the relevant priority areas of the SEP. The case officer will have an appropriate degree of impartiality from the scheme.

As part of the appraisal process, a peer review meeting may be held with the promoter, to discuss any key issues arising from the ongoing appraisal. This meeting could be multi-disciplinary and involve external resource as appropriate (e.g. for Combined Authority projects to demonstrate impartiality, or where specific knowledge and skills are required and which don't exist internally).

There will be a clear separation between the appraisal function and the project sponsor/promoter. This means that staff carrying out appraisal will not be involved in advising on project and business case development activity.

Following each assessment of a project, a template will be completed by the case officer that reports the findings of the appraisal and this will be reviewed by the Programme Appraisal Team (PAT).

The Combined Authority appraisal function and Programme Appraisal Team (PAT) scrutinise and quality assure the process to ensure that the work undertaken is independent of the authority promoting the scheme. The Director of Delivery has overall responsibility for ensuring value for money for all projects and programmes.

6.3.6 When will schemes be assessed?

It is expected that discussions between the scheme promoter and the LEP/Combined Authority will be an ongoing and iterative process.

A standard timescale for the assessment of business cases at each decision point will be set and communicated to all promoters. However, depending on the complexity of the scheme and the quality of information provided within the business case, further time may be required. This will be agreed with the promoters at the earliest appropriate opportunity.

As part of the decision point 2 (SOC) approval, timescales for the approval of future decision points will be agreed and set out between the promoter and LEP/Combined Authority. The promoter (with support from their key contact in the Combined Authority and the PMA) will then be required to determine the submission and appraisal timescales relevant to each decision point in order to establish a clear picture of what needs to be done next in the development of a scheme. A stage certificate is issued, which includes any conditions that are set by the PAT and formalised through the funding agreement.

6.3.7 Reporting of appraisal findings

Assurance pathway and approval route

Schemes will be assessed on a case by case basis to determine the most appropriate assurance pathway (activities and related decision points that a scheme must progress through) and approval route (the meetings, officers and committees that will consider the scheme at each decision point on the assurance pathway).

The assurance pathway and approval route will be recommended by the Combined Authority's Case Officer, endorsed by PAT and Investment Committee and agreed by the Combined Authority, as the accountable body for the LEP, as part of the decision point 2 approval. The approval route will be one that best serves the needs of the Combined Authority in carrying out the correct level of assurance, whilst also ensuring schemes progress efficiently and enable the Combined Authority to respond to emerging investment opportunities.

The key principle applied when defining an assurance pathway and assurance route is that the PAT will review a scheme at each decision point (with the exception of decision point 1) to check whether the assurance process has been applied correctly and assess whether a scheme is eligible to progress to the next activity. PAT will base their assessment on the appraisal prepared by the Combined Authority's Case Officer. The Investment Committee is asked to review the PAT's recommendations early on in the process (usually decision point 2) and then make recommendations to the decision maker (Combined Authority or the Managing Director). This will usually be at decision point 2 (SOC), once strategic fit and eligibility of the scheme has been tested in stage 1 of the assurance process. The scheme information presented to both the Investment Committee and Combined Authority at each decision point is prepared by the Combined Authority's case officer.

At each decision point, the information made available to the decision maker in advance of making a decision, to allow them to make an informed assessment of the issues will include:

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- Details about the application
- An appraisal of the application
- Any advice that has been provided by the Combined Authority's Chief Finance Officer or Monitoring Officer¹⁸
- Recommendations as to whether to fund the proposal
- A recommendation about conditions that should be attached to the proposal.

Whilst schemes will by default always be seen by the PAT at each decision point (in accordance with the scheme's approved assurance pathway), the PAT also have the option to defer the responsibility for seeing a scheme's business case at decision points as they see fit, e.g. LEP Loans may be seen by the PAT at decision point 2 with a SOC, then come back at decision point 4 with a Full Business Case that will be assessed by the Business Investment Panel instead.

In the case where the situation arises that the PAT agrees to recommend to reject a scheme, it is the role of the PAT to advise the Investment Committee of this recommendation – and then for the Investment Committee to recommend to either approve or reject proposals to the CA.

Depending on the cost, complexity and risk of a scheme, the Investment Committee may request that a scheme is referred back to the Investment Committee at subsequent decision points for their recommendation to progress along the assurance process in advance of decision point 5 (FBC plus finalised costs).

There is also the option for the Investment Committee to recommend to the Combined Authority that further approvals after decision point 2 (SOC) to be delegated to the Investment Committee, or to the Combined Authority Managing Director, to facilitate speeding up the delivery of schemes that are considered low cost, less risky and less complex and which remain within tolerances.

6.3.8 Due diligence assessment

Due diligence is the independent verification of key information and assumptions. The purpose of due diligence is to protect all parties from acting on incorrect or impartial information.

Due diligence may be carried out at any point in the development of a scheme; however, it will be formally required as part of activity 5 – Final Business Case plus finalised costs. Information requirements at this stage will depend upon the nature of the scheme, the findings of the full business case (decision point 4) assessment and any outstanding actions still to be undertaken prior to any funding agreement being approved. The Business Investment Panel has a key advisory role in this process for business grants and loans.

Each case will of course be different depending upon the nature of the scheme, but could include:

¹⁸ The Monitoring Officer provides advice on legal considerations including, where applicable, the percentage risk of challenge and non-compliance with the proposed course of action and any mitigating factors which may be taken to address this.

- **Lending:** financial standing of delivery body, company ownership and creditworthiness, value of security offered and details of any existing charge, terms of loan including drawdown and repayment, consideration of State Aid
- **Recoverability:** projects need to demonstrate the income from which the loan will be repaid
- **Deliverability and risk:** confirmation that the project is ready to start and a risk management plan is in place
- **Final economic impact/VfM statement:** jobs created, contribution to the City Region economy and other outputs/outcomes, such as remediated land, apprentice positions, houses built and private sector deliverability

6.4 Release of funding, cost control and approval conditions

The funding offer will be bespoke to each individual scheme. The arrangements for the draw down and release of funding will be set out initially during Stage 1 (eligibility) and then agreed during Stage 2 (development) of the assurance process. Some schemes may also be eligible for the provision of development funding in order to progress the scheme from decision point 2 (SOC) to decision point 5 (FBC with finalised costs). At the point where funding is released, the Combined Authority will enter into a funding agreement with the promoter. The following funding conditions could apply and will be specified in the funding agreement:

- funding to scheme promoters will be capped at the maximum level
- any potential overspend will be escalated by the project sponsor to the Combined Authority. The Combined Authority will consider the appropriate options as part of a change request, which will include a requirement for the business case to be re-worked and presented back to the Combined Authority for further consideration
- the promoter's Chief Internal Auditor to provide assurance and to certify all expenditure on an annual basis
- the promoter's Chief Finance Officer to sign off all expenditure on an annual basis
- claw-back provision in place to ensure funding is only to be spent on the specified scheme and that any cost savings achieved on the completed scheme are returned
- The Combined Authority, as the accountable body, will determine when to release funding. Payment will normally be made quarterly in arrears within 30 days of the receipt of an eligible claim. Advance payments will be made in exceptional circumstances.
- The Combined Authority may arrange for local audit of schemes to detect any misuse of funds.
- All organisations that receive funding through the Combined Authority and/or LEP are contractually required to acknowledge this, and that of Government in all communications and marketing activity. This includes use of logos on relevant communications materials, inclusion of specified wording in press releases and development of stories and case studies that showcase the impact of projects.

The LEP and Combined Authority will look to recover funding where there has been non-compliance, misrepresentation or under-performance. The Accountable Body arrangements in Appendix 1 set out how concerns are elevated, including taking a legal opinion on the likelihood of recovery. When the LEP and Combined Authority decide not to pursue recovery where non-compliance has been identified, and has legal grounds to do so, there must be a compelling justification for such a decision.

6.5 Management of contracts

West Yorkshire Combined Authority who are the accountable body supporting the delivery of effective contract management across LEP funded programmes and agreements has implemented a performance management process which is aimed at ensuring that a high level of contract performance is achieved and that all contract deliverables and obligations are met. At a minimum level, the process will ensure that the following key contract management elements are implemented:

- Combined Authority contract managers have a thorough understanding of all contract requirements, deliverables and provider obligations.
- Regular contract performance meetings are held with providers to review contract delivery in order to maintain ongoing quality and performance of the contract.
- Performance reporting updates are submitted on a regular basis to the Combined Authority by providers, highlighting performance against key performance indicators and other deliverables.
- Implementation of regular quality and compliance audits which provide the required evidence in support of contract compliance.
- Combined Authority are committed to providing general support to key providers in working towards a successful programme delivery.
- Ongoing programme risk and issues management including implementation of risk logs associated with contracts.
- Ensure ongoing delivery of value money through effective change management control in accordance with the contract terms and conditions.
- Problem resolution and implementation of improvement plans where necessary to support increased performance.

Currently the LEP Board and the Investment Committee receive regular high-level reports on the progress of LEP funded programmes and projects together with and any significant risks, issues and opportunities. More detailed reporting including specific supplier performance against these programmes and projects are reported to the relevant LEP panel/committee (including the Business Innovation and Growth Panel and Employment and Skills Panel) and also to the Combined Authority's Senior Management Team.

Any contract negotiations that result in material changes will be assessed and dealt with through the standard variation process as determined within the Combined Authority Contract Standing Orders.

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The LEP Board will be consulted on all contract changes that are considered to be critical in nature towards the delivery of LEP funded programmes, projects and the key Economic Plan.

7. MONITORING AND BENEFITS REALISATION

7.1 Introduction

The following section sets out the approach to monitoring and benefits realisation, including ongoing reviews of the assurance process.

7.2 Scheme Monitoring and Benefits Realisation

Monitoring during development and delivery (Activity 3 (OBC) to 7 (Close and Review) inclusive)

All projects are monitored throughout their progression through the assurance process. In 2018/19 the Combined Authority introduced a web-based Portfolio Information Management System (PIMS), to ensure a consistent approach to monitoring and management of all projects. A key benefit of PIMS is that information is available to view by all parties to the project. This helps to ensure the accuracy of the data held.

The system provides the following benefits:

- **Transparency**
 - allows informed and improved decision making
 - provides visibility of project progress
 - provides a full audit trail of project data
 - linkages and dependencies between various projects in the portfolio can be viewed and managed more easily
- **Consistency**
 - provides a robust and automated method of project assurance
 - standardised templates and reports offer robust project controls
 - centralised repository for cost and risk management activities will provide a uniform approach.
- **Efficiency**
 - manual data input and manipulation is retained by the PMA and verified by project sponsors.
 - standardised reports, documents and dashboards enable project teams and stakeholders to concentrate on delivery
 - resource management allows for resource planning ahead of demand
 - the organisation's ability to plan using future project deliverables is increased
 - lessons learned can be more easily understood and shared between stakeholders
- **Focus on delivery**
 - aggregation of project data can identify trends in advance

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- facilitates alignment of projects to corporate strategy
- recommendations and actions to be carried out in a more structured and timely way

Key metrics of information on performance are reported at regular intervals from when a scheme enters Stage 2 (Development) and include expenditure, progress, outputs and benefits, risks and issues, as well as match funding. A rolling schedule of growth deal funded schemes is published on the LEP/Combined Authority websites and can be found [here](#).

The individual project monitoring information feeds into an overall report for Combined Authority funding, which is reported to the Combined Authority/LEP to enable effective management of all projects and programmes and schemes are being delivered.

All Combined Authority, Investment Committee and LEP Board monitoring reports are published on the Combined Authority and LEP websites.

Delivery (decision point 6) and Close and Review (decision point 7)

The purpose of activity 6 is to deliver the scheme and therefore decision point 6 is to confirm that delivery is complete. For an infrastructure project this would be completion on site. The output from activity 6 at decision point 6 is a draft Project Closure Report.

The purpose of activity 7 is to confirm that a project has been reviewed and can be closed. For an infrastructure project this would be completion of all defects and financial close, i.e. all final accounts have been agreed and paid, and the project has completed any outstanding compliance requirements highlighted at decision point 6 and in the Final Monitoring Report. This is not when the scheme has delivered all of the outputs and benefits set out in Schedule 1 of the Funding Agreement.

The output from activity 7 at decision point 7 is a final Project Closure Report.

The purpose of the draft and final Project Closure Reports is to assess the success of the project, identify best practice for future projects, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future projects. The final Project Closure report formally closes the project.

Benefits realisation and measuring progress towards SEF priorities

Section 1.7 sets out the overarching context of the high level success measures which flow directly from the SEF (Strategic Economic Framework) and set out the high level design principles which govern our commitment to robust impact assessment to measure progress towards our priorities.

A robust and consistent approach to benefits realisation is a central theme of the LCR Assurance Framework which links project and program monitoring into assessment of progress towards the high level success measures.

All projects funded by the Combined Authority and the LEP are required to have a benefits realisation plan and a monitoring and evaluation plan as part of business case development. These should be produced as part of activity 3 (OBC) and refined and be in place at the end of activity 5 (FBC+). Benefits realisation reporting together with the outputs from the monitoring and evaluation plan will be used to assess the

effectiveness and impact of investing public funds and the extent to which projects are contributing to the overall objectives of the Combined Authority and the LEP.

Monitoring and evaluation of the Strategic Economic Framework

The introduction of the SEF Evaluation Strategy will shape the design and development of project level evaluation activity through its focus on “Logic Models” as the basis of “activity 7” of the Assurance Framework reporting, shaping the information we capture at project closure and introducing more consistency to learning insights that we synthesise and communicate.

The Local Industrial Strategy (which sits at the heart of the SEF) focuses on bold steps that boost productivity and drive inclusive and clean growth. It is underpinned by the five foundations of productivity – People, Place, Infrastructure, Ideas and Business Environment – and also highlights how the City Region contributes to the national Grand Challenges.

Ultimately we believe that the design of project and program logic models, which shape the design of our interventions, must clearly link through and be driven by the high level design principles and the outcomes that the Local Industrial Strategy is seeking to shape. To support this a series of logic models have been developed for the 5 foundations (Ideas, People, Business Environment, Infrastructure and Place) of the strategy. The proposed logic model for the Transport Infrastructure foundation is shown below to illustrate the approach. The proposed logic model will form part of the LIS submission to HM Government in 2020.

Industrial Strategy Logic Map for Infrastructure Foundation

LIS Logic Model – Infrastructure: Transport

CONTEXT:

- A modern, world class 21st Century transport system – connecting different modes of transport seamlessly into one comprehensive, easy to use network – to support inclusive growth, serving the needs of businesses and people - enhancing prosperity, health and wellbeing for people and places

PROBLEMS TO ADDRESS:

- LCR suffers from significant, bus, highway and rail congestion, missing out major development/regeneration opportunities, locking areas into deprivation and social isolation
- Car dominance (70% of worktrips): Historic focus on car results in dispersed development, traffic congestion impacting on lost productivity/business costs and accessibility of labour markets, Air pollution impacting on urban areas/deprived communities, Inadequate rate of reduction in CO2 emissions from transport
- Capacity Challenge: Connections to cities, towns, transport gateways aging with limited capacity & choice - facing increasing population and travel demand
- Mobility gap: Between high & low income groups: Low income households with low car availability traditionally more reliant on buses, but making more car trips
- Bus trips declining: Increasing fares, bus miles/networks contracting, low satisfaction with poor punctuality with journeys made slow/unreliable by road congestion. Rail trips growing but crowding and low satisfaction on trains in peak periods. Active travel not realised potential, low cycling levels, stagnating levels of walked trips = low level of physical activity, related to low life expectancy and mental health issues
- 2nd lowest transport investment levels of English regions: £315 per head in Yorkshire & Humber, against £475 English average, £1,019 London

INPUTS

HS2 / Northern Powerhouse Rail
 TfN Strategic Transport Plan
 WY Transport Strategy 2040 / LCR Connectivity Strategy
 DfT Transforming Cities Fund
 District Local Plans / SEP Spatial Priority Areas / LCR Place narrative?
 District Local Plans
 District Climate Emergencies
 DEFRA Air Quality Action Plan
 Government target to reduce CO2 emissions to net zero by 2050
 WYCA target to reduce CO2 emissions to net zero by 2038

ACTIONS

Regional Rail
 Leeds Station Masterplan
 LCR HS2 Growth Strategy
 TfN Investment Programme (NPR, Rail, Smart Travel)
Existing LCR programmes:
 • WYTF, Connecting Leeds, LTP, Leeds & Bradford Clean Air Zones etc
Future LCR programmes
 • LCR Inclusive Growth Corridor Delivery plan & pipeline
 • TCF
 • WY Bus Alliance - Action Plans & Bus Network Reviews
 • City Connect / Healthy Streets / Local Cycling & Walking Plans pipeline
 • Carbon reduction pathway
 • City Region Mass Transit

OUTPUTS

New sustainable transport infrastructure and services, products, technologies
 New sustainable transport links between deprived areas and employment/training opportunities
Delivery of Mass Transit network
 X jobs as result of improved connectivity
 X jobs created in transport construction
 X jobs created through transport supply chain
 X jobs in transport operations
 X carbon reduction projects (e.g. No. of EV charge points, Low Emission Buses)

OUTCOMES

Mode shift to sustainable transport (Rail, Bus, Walk, Cycle, Mass Transit)
 X% increase in passenger/freight trips by sustainable transport / day
 X% decrease in trips by car / day
 X new homes facilitated
 Journey time improvements
 Improved access to jobs & training
 Reduced transport related barriers to opportunities for disadvantaged communities
 Increase in (business & public) satisfaction with local transport
 Place & health benefits – unlock commercial development, urban realm, air quality, active travel, safer streets, well-being
 Accelerated take up of Electric/ Ultra Low emission vehicles
 X carbon reduced by XXXX

IMPACTS

HS2 & NPR create step change in connectivity of LCR
 Integrated city region mass transit network – accessible, affordable, flexible, inclusive
 Put people & places first – prioritised human health & quality of Life
 Transformed connectivity will bring new & more productive jobs within reach of more people - (enabling them to move job without moving house – or using a car)
 Retention and attraction of skilled people and high value businesses to the region
 More efficient use of space, compact development
 Zero-Carbon by 2038

OTHER FACTORS:

Vision & Validate? – or steady evolution? / Infrastructure only? – revenue requirements? / Push & Pull (Demand Management?) / Integration with health agencies & budgets?

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A formally adopted evaluation strategy will be integrated into the LCR Assurance Framework in early 2020 as a future revision (the strategy will replace the current evaluation guidance which underpins the SEP Evaluation principles).

Our approach to the development of the evaluation strategy recognises that it is locally owned, managed and draws on local systems; it will be proportionate and selective (e.g. not everything will be evaluated) and that partnership working with LEPs and government takes place to identify opportunities for thematic evaluations that could be conducted across LEP areas or centrally commissioned.

Introducing these changes to our approach to monitoring and evaluation and focusing the evaluation around SEF success measures will align the LCR Assurance Framework with the “National Local Growth Assurance Framework” (MHCLG, January 2019).

These key themes are likely to focus on:

- **Strengthening understanding of the impacts, outcomes and additionality of all forms of projects at an early stage in their design to improve the ex-poste evaluation of interventions.** All project sponsors will be required to adopt a consistent approach to the use of “Logic Models”. Logic models represent an essential element of project and programme development and whilst the requirements for the use of logic models will be proportionate to the scale of the intervention, it is viewed that all projects will benefit from this approach
- **Communicating and synthesising the learning from project evaluation** – the updated strategy will place a greater focus on synthesising consistent messages from project learning across all project types – with these insights flowing directly from the relationships set out in the project logic model. The current project closure documentation will be reviewed to ensure that it is fit for purpose in this context. Greater emphasis will be placed on the structured communication of the outputs from project closure reports through learning and dissemination events and the project closure reports will be designed to shape this messaging.
- **Understanding the wider benefits flowing from Growth Deal interventions** – the updated strategy will more clearly define the relationship between project monitoring, benefits realisation and the net additionality achieved across the wider Leeds City Region geography. The updated strategy in this theme will consolidate and align with the ‘Independent Evaluation of Local Growth Interventions’ currently being conducting by MHCLG.

Five Year gateway review

As part of the Leeds City Region Growth Deal agreement, the West Yorkshire plus Transport Fund is subject to five-yearly gateway reviews to assess impact. The Government has indicated that the initial gateway review will focus on evaluating the progress and performance of the investment fund with economic growth becoming the primary measure for assessing impact.

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An independent panel, as agreed with HM Government, has been established to undertake the review. The first gateway review which concludes in March 2020 will determine the availability of future Government payments for 2021-22.

The evaluation component of individual West Yorkshire plus Transport Fund scheme's benefits realisation plans will need to complement the five year gateway review. A local evaluation framework for the Transport Fund has been produced, and evaluation plans have been developed. Delivery of key agreed milestones is now underway.

A review of the overall monitoring and benefits realisation activity forms part of the action plan and will advise on the development of an overarching monitoring and benefits realisation framework.

7.3 Risk Management

Risk is managed in line with HM Treasury 'Orange Book' Guidance on the Principles and Concepts of Risk.

The LEP has agreed that the Combined Authority through the Section 73 Chief Finance Officer, manages risk on the LEP's behalf. The Combined Authority recognises that effective risk management is an integral part of good corporate governance and as such should be a part of everyday management processes. The Combined Authority is committed to ensuring the robust management of risk, and as such a corporate risk management strategy is in place to set out a consistent approach to all risk management activities undertaken throughout the organisation. This includes the Combined Authority's risk appetite statement, which is based on risk category. The revised and updated Risk Management strategy will be considered by the Governance and Audit Committee in January 2020 and the current version can be found [here](#).

The Portfolio Management and Appraisal Team (PMA) champions risk management in projects, programmes and portfolios, providing a management lead in these areas and ensuring that appropriate arrangements are maintained. The Head of PMA has overall responsibility for the identification and management of project, programme and portfolio risk, but the day-to-day coordination of corporate risk management activities is undertaken by the Corporate Planning and Performance Manager and responsibility for management of risk sits with Directors, Heads of Services, and risk owners.

Identification and Assessment of Risk

Full project-level risk analysis and mitigation/contingency plans are required for each scheme as part of the application process and in developing the business case and comply with CA risk strategy.

Robust processes for the identification, analysis and management of risks is contained within the Combined Authority's Risk Management Strategy and supporting documents. These provide details on the regularity with which to review risks and guidance for effective risk identification, assessment and escalation.

Monitoring risk

Funding recipients are required to report headline risks and issues through PIMS.

Programme Managers produce a risk register, which includes escalated project risks. These are reviewed at each of the relevant funding programme management

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groups and, where escalation is required, reported to the Portfolio Management Group (PMG). The PMG Terms of Reference are attached at Appendix 8 of the Assurance Framework.

A strategic risk register with mitigations and responsibilities at portfolio level is also produced and reviewed quarterly by the PMG.

Risks contained within the above-mentioned risk registers can also be escalated to the Combined Authority directorate level risk registers or to the Combined Authority's corporate risk register as needed.

A summary of the organisation's Corporate Risk Register is provided at each meeting of the Combined Authority and LEP Board meeting, which highlights any changes since previous review and any significant developments in risk management processes.

Appendix 1 – Accountable Body Arrangements

Agreement between the Leeds City Region Enterprise Partnership and the West Yorkshire Combined Authority

1. Introduction

The LEP is the strategic body responsible for a significant amount of public funding to drive inclusive growth, increase prosperity and improve productivity (“LEP activity”). The LEP works collaboratively and in partnership with the West Yorkshire Combined Authority, as its accountable body (“the Accountable Body”).

2. Accountable Body roles and responsibilities

Underpinning good governance is an expectation of mutual support between the LEP and the Accountable Body. The Accountable Body is responsible for:

- carrying out **finance functions** on behalf of the LEP
- **oversight** of the LEP’s financial and governance, transparency and accountability arrangements
- providing **additional support** as agreed by the LEP.

The LEP has agreed that the Accountable Body’s specific roles and responsibilities are:

a) Finance functions

On behalf of the LEP, the Combined Authority holds, allocates and releases all funding for LEP activity (“LEP funding”) including the Local Growth Fund and, Growing Places Fund.

This includes approving and entering into agreements relating to LEP funding.

The Accountable Body does not use any LEP funding for their own purposes, nor without a clear mandate from the LEP.

The Section 73 Chief Finance Officer shall ensure that appropriate financial statements are provided to the LEP in a timely manner; a separate financial statement for LEP funding is published each financial year.

The Accountable Body is responsible for treasury management and borrowing functions relating to LEP activity and funding.

LEP funding is included in the Accountable Body’s accounts, and the LEP’s web-site links to the Accountable Body’s accounts.

b) Oversight functions

The Accountable Body has oversight of the LEP’s financial and wider governance, transparency and accountability arrangements, including compliance with the Assurance Framework. The Accountable Body through its Section 73 Chief Finance Officer ensures that LEP funding is administered properly, that is, that LEP funding is spent or released:

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- in accordance with formal approvals only, and not for unapproved purposes¹⁹
- with propriety and regularity and to deliver value for money
- subject to the statutory checks and balances which require the Accountable Body to act prudently in spending
- in accordance with the Assurance Framework and any other relevant procedure
- in compliance with any grant requirements and conditions.

The Accountable Body ensures that decisions on LEP funding are:

- reached in line with clear and transparent processes
- made on merit
- taken in accordance with the Assurance Framework
- compliant with all legal requirements including relating to State Aid, public procurement, transparency, data protection and the public sector equality duty.

The Accountable Body also promotes the highest standard of conduct by the LEP, LEP Board members and officers, by reference to the seven principles of public life.

Scrutiny

The Combined Authority's statutory Overview and Scrutiny Committee has a key role in securing independent and external scrutiny of LEP activities. The Committee's terms of reference reflect that the Committee may make reports or recommendations on any matter considered by the LEP or relating to LEP governance. The Committee may also review or scrutinise any decision made, or other action taken, in connection with any function of the Combined Authority, including in relation to its role as Accountable Body.

The LEP recognises the role of the Combined Authority's statutory Scrutiny Officer in facilitating the Overview and Scrutiny Committee to carry out appropriate scrutiny of LEP Board decision-making and LEP achievements.

The LEP agrees to respond positively to any request to share information with the Committee, so that the Committee has the necessary information to provide robust scrutiny and advice. Any member of the LEP Board, including any private sector representative, may be asked to attend or otherwise contribute to a meeting of the Committee.

The contribution of the LEP to any meeting of the Overview and Scrutiny Committee will be recorded with the outcome in the minutes (published on the Combined Authority's website). The LEP will ensure that there is a link from the LEP web-site to the Overview and Scrutiny Committee's published reports and minutes.

Audit

To ensure they have proper processes in place to manage risk, maintain an effective control environment and report on financial and non-financial performance, the LEP utilises the Accountable Body's Governance and Audit Committee, and its internal

¹⁹ Including the services of lobbyists

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and external auditors to provide assurances in relation to LEP activities, as well as the Section 73 Chief Finance Officer.

The LEP and the Accountable Body (through its Governance and Audit Committee) will agree a risk based internal audit plan for each financial year of LEP and Combined Authority activities, that will provide assurance to the Section 73 Chief Finance Officer and the LEP Board at appropriate points through the financial year.

c) Support functions

The Accountable Body acts as the independent secretariat to the LEP²⁰, providing the following technical and other support:

- compiling, maintaining and publishing agenda, reports and minutes of meetings in accordance with agreed procedures
- retaining all documentation relating to the Local Growth Fund and other funding sources
- dealing with any request for information, complaint or concern raised in accordance with the appropriate procedure
- appraisal functions as set out in the Assurance Framework,
- legal advice
- recovering funding where there has been non-compliance, misrepresentation or under-performance²¹
- risk management.

3. Section 73 Chief Finance Officer - Resources

The Accountable Body will ensure that the Section 73 Chief Finance Officer is given appropriate resources to carry out their functions in respect of the LEP, including audit. The LEP and the Accountable Body shall keep resource needs under review and consider if they are appropriately met.

4. Non-compliance by the LEP

Any decision of the LEP made in contravention of processes set out in the Assurance Framework will be invalid on the basis of non-compliance, unless the LEP has given prior approval for variation in respect of the LEP's decision-making process.

²⁰ The Combined Authority is not a constituent member of the LEP, nor does it appoint any representative to the LEP Board. Local authority representatives are appointed in their capacity as district councillors, not members of the Combined Authority.

²¹ The Accountable Body will report to the LEP Board providing information on projects which have received funding, including

- a description of projects where concerns have been identified,
- relevant details including the amount of funding awarded and the sum at risk due to the concerns, and
- where recovery of funds is considered, a legal opinion which sets out the legal basis for recovery and likelihood of success

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In the event that the Accountable Body is not able to endorse any decision of the LEP, the Section 73 Chief Finance Officer would refer the matter back to the LEP for re-consideration.

The LEP and the Accountable Body are committed to proactively raising with the Cities and Local Growth Unit any significant instance of non-compliance, non-delivery or mismanagement by the LEP which cannot be resolved locally. Should any such instance arise, the Chief Finance Officer will also report it to the LEP Board and to the Combined Authority's Governance and Audit Committee.

Appendix 2 – Section 73 Chief Finance Officer – responsibility arrangements

1. Introduction

The Combined Authority must by law²² make arrangements for the proper administration of its financial affairs and secure that one of its officers has responsibility for the administration of those affairs. This role is carried out by the Combined Authority's Director of Corporate Services and extends to include the financial affairs of the LEP.

The Chair of the LEP and the LEP's Chief Executive Officer have agreed the following responsibility arrangements with the Section 73 Chief Finance Officer of the West Yorkshire Combined Authority (the Combined Authority), recognising the role of the Section 73 Chief Finance Officer in relation to instilling good and proportionate LEP governance, including the oversight of the proper administration of the LEP's financial affairs.

2. Financial administration

The Section 73 Chief Finance Officer shall be supported by the LEP and the Combined Authority (in its capacity as accountable body for the LEP) to carry out such checks as are necessary to independently ensure the proper administration of financial affairs in the LEP.

The LEP shall act promptly working with the Combined Authority to address any concerns or improper financial administration identified. The Section 73 Chief Finance Officer will report all concerns to the LEP's Chief Executive Officer in the first instance, making recommendations about any improvements required.

The LEP is responsible for ensuring that all concerns are addressed.

The Chief Finance Officer will report any significant concerns directly to the LEP Board, setting out any improvements required. The LEP Board and the Section 73 Chief Finance Officer shall agree an action plan setting out how such concerns are to be addressed. This may include identifying training needs to ensure compliance.

There will be a standing item on the LEP Board agenda reporting on progress on implementing the action plan, until the Section 73 Chief Finance Officer is satisfied that the issue has been resolved.

The Section 73 Chief Finance Officer will notify the Cities and Local Government Unit of any significant concern where

- the concern is about systemic financial problems, repeated non-compliance or fraud, or
- an action plan cannot be agreed, or

²² Section 73 of the Local Government Act 1985

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- in the opinion of the Chief Finance Officer, the LEP Board does not achieve sufficient progress against the action plan.

3. Advice of the Section 73 Chief Finance Officer

The Section 73 Chief Finance Officer shall work with the Chair of the LEP and the LEP's Chief Executive Officer to ensure that procedures are in place to consider the financial implications of decisions before and during the decision making process.

The LEP shall ensure that the Section 73 Chief Finance Officer is given sufficient access to information in order to carry out their role. The Section 73 Chief Finance Officer or their nominee shall be entitled to:

- attend all LEP Board agenda setting meetings.
- have access to all LEP Board documentation (including LEP Board reports before publication),
- comment on any proposed decisions, by
 - recording an opinion on financial implications and an assessment of risk (such as delivery risks and cost overrun risks) in any report to the LEP Board or relevant Panel, and/or
 - attending and speaking at any meeting of the LEP Board²³ or relevant Panel.

Should the LEP Board decide on a course of action which goes against the advice of the Section 73 Chief Finance Officer, the LEP Board must indicate the rationale for their decision, which will be recorded in the minutes of the meeting. However, in the event that the Accountable Body is not able to endorse any decision of the LEP, the Section 73 Chief Finance Officer would refer the matter back to the LEP for re-consideration.

If the role of the Section 73 Chief Finance Officer results in a potential conflict of interest, impartial advice should be sought by the LEP's Chief Executive Officer to ensure transparency from a source which is external to the Combined Authority.

4. Risk management

The LEP has agreed that the Combined Authority through the Section 73 Chief Finance Officer, manages risks on the LEP's behalf. The risk appetite of the LEP is understood by both the LEP Board and the Section 73 Chief Finance Officer.

The Section 73 Chief Finance Officer ensures that the Combined Authority's risk management strategy addresses

- risks arising in relation to LEP activity
- the process for the LEP Board to oversee risk and the escalation of risk analysis and risk management requirements within the LEP²⁴

At the beginning of the financial year, the LEP and the Section 73 Chief Finance Officer will agree the budget risks facing the LEP. These will be kept under review by

²³ See further LEP Procedure Rules. The Section 73 Chief Finance Officer is not a member of the LEP Board and does not vote.

²⁴ Drafting Note - Risk management Strategy to be reviewed to ensure fully reflects this requirement

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the Section 73 Chief Finance Officer throughout the year, who will report any significant issues to the LEP Board.

5. Audit

The LEP and Combined Authority have agreed audit arrangements as set out in the Assurance Framework and Appendix 1. The Section 73 Chief Finance Officer and the LEP's Chief Executive Officer shall report to the LEP Board on any completed audit by internal or external auditors where any recommendations relate to the LEP, and provide a copy to the Cities and Local Growth Unit as appropriate.

Appendix 3 – Governance Structures

LEP Board

Membership

At least two-thirds of the members of the LEP Board²⁵ must be private sector representatives²⁶.

The number of LEP Board members shall not exceed 20, excluding any additional member co-opted to the LEP Board. A maximum of 5 co-optees with specialist knowledge may be appointed to the LEP Board.

The LEP's Constitution [here](#) sets out requirements in relation to LEP Board membership, including eligibility criteria, appointment processes, terms of office (including arrangements for resignation), and provisions relating to the LEP's Chair and Deputy Chair.

The LEP website [here](#), and the Combined Authority's website [here](#) provide details of all current members of the LEP Board.

The LEP Board has adopted an Equality and Diversity Policy including Diversity Statement explaining how the LEP seeks to ensure diverse representation at LEP Board and on advisory Panels which is reflective of their local business community (including geographies and protected characteristics). This can be viewed [here](#).

The LEP Board annually reviews its membership having regard to its Diversity Statement, taking into account the skills, knowledge and competencies it needs, the geography of the Leeds City Region, its key business sectors and different sizes of business operation.

The LEP Board appoints its private sector representatives, including the Chair, in accordance with open recruitment processes which are set out in the LEP recruitment procedure (which also covers engagement with the business community in relation to the appointment of the LEP Chair, succession planning and induction arrangements for private sector representatives) which can be found [here](#).

One LEP Board member is appointed to represent and engage with the SME business community, and another as Diversity Champion.

The LEP has adopted a LEP Board Members' Remuneration and Expenses scheme which can be found [here](#).

West Yorkshire Combined Authority

Membership

Members are appointed to the Combined Authority in accordance with the Order which established the Combined Authority. This provides that West Yorkshire constituent councils each appoint at least one Member to the Combined Authority,

²⁵ Any co-optee appointed to the LEP Board is to not be considered as a member of the LEP Board for the purpose of this requirement.

²⁶ A private sector representation must be or have been employed by an organisation not included as central government, local government or a public corporate as defined for the UK National Accounts. Those from Higher Education or Further Education Institutions are not classified as public sector organisations.

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with a further three West Yorkshire appointments to reflect the balance of political parties among the West Yorkshire councils.

York is a non-constituent council of the West Yorkshire Combined Authority, and also appoints a Member to the Combined Authority, as does the LEP. These two Members are non-voting, except in so far as the Combined Authority gives them voting rights.

The Combined Authority's website [here](#) provide details of all current members of the Combined Authority.

Voting members on committees and panels include members from the private sector representatives and local authorities– see further section 2.

Officers

Combined Authority officers serve both the LEP and the Combined Authority. They are appointed on merit in accordance with open recruitment arrangements and new officers undergo a structured induction process.

The authority of officers to act on behalf of the Combined Authority is set out in the officer delegation scheme [here](#).

Appendix 4 – Economic Services : approval arrangements

The Managing Director has delegated authority to award an Economic Services grant to a company or other legal entity²⁷ (“Business”) under any programme or scheme approved under the Leeds City Region Assurance Framework.

Officers have sub-delegated authority by the Managing Director to award such grants, as set out in Table 1 below²⁸.

In accordance with the Conflicts of Interest Protocol, where any potential conflict arises from the involvement with a Business of any person on the LCR LEP or any relevant committee, an application must be determined by the Managing Director, the Combined Authority or relevant committee.

A grant may only be awarded

- where the application meets the eligibility and/or assessment criteria for the programme or scheme, and
- further to any appraisal/consultation indicated in Table 1 below.

Table 1

	Thresholds	Decision-making officer	Appraisal/consultation
a)	Not exceeding £100k	<ul style="list-style-type: none"> • Head of Service in Economic Services²⁹ • Director of Economic Services • Managing Director 	By any Advisory Group applicable to the programme or scheme (see Table 2)
b)	Greater than £100k and not exceeding £250k	<ul style="list-style-type: none"> • Director of Economic Services • Managing Director 	Business Investment Panel
c)	Greater than £250k and not exceeding £500k	<ul style="list-style-type: none"> • Managing Director 	Business Investment Panel
d)	Greater than £500k	<ul style="list-style-type: none"> • Managing Director 	<ul style="list-style-type: none"> • PAT, • Business Investment Panel, and • Investment Committee and/or Combined Authority

²⁷ Including a social enterprise, trust, partnership or sole trader

²⁸ Subject to any funding condition imposed on the Combined Authority in relation to the programme or scheme.

²⁹ That is, the Head of Business Support, Head of Trade and Investment or Head of Employment and Skills in relation to any matter within their remit

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The **Advisory Groups** are set out in Table 2 below:

Table 2

Programme	Advisory Group	Membership	Thresholds
Business Growth Programme	Appraisal Advisory Group	Officers from the Combined Authority; officers from partner councils; Business Enterprise Fund	Considers any application for a grant over £25k and not exceeding £100k
Digital Investment Funds	Digital Investment Fund Appraisal Group	Officers from the Combined Authority	Considers any application for #Welcome and #Grow for a grant over £25k and not exceeding £50k

Appendix 5 – Assurance process principles for ESIF Sustainable Urban Development (SUD) purposes

Purpose

The urban agenda and the role of cities in driving forward smart, sustainable and inclusive growth is central to the successful delivery of the 2014-20 ESI Funds Growth Programme in England.

The Leeds City Region Sustainable Urban Development (SUD) Strategy, which aims to address integrated urban challenges and opportunities in the region, was submitted to the Ministry of Housing, Communities and Local Government (MHCLG) back in September 2015 and was formally agreed.

MHCLG – otherwise known as the Managing Authority - agreement of the SUD Strategy will ensure that funds worth up to 10% of the Leeds City Region European Structural and Investment Funds (ESIF), European Regional Development Fund (ERDF) allocation will be made available in order to implement the SUD strategy.

In order to put in place the delegated functions that are required by Article 7 of the EU Regulation 1301/2013, with regard to project selection, MHCLG have now established the West Yorkshire Combined Authority as an Intermediate Body (IB) in line with Articles 123 and 125 of EU Regulation 1303/2013.

The Combined Authority, as the Intermediate Body will, in order to make decisions with regard to its role in the project selection process, use the principles of the assurance process as outlined below. Any process will be undertaken in line with the selection criteria as defined by the ESIF national Growth Programme Board.

This appendix presents the Leeds City Region assurance process as the model and framework that the Combined Authority has adopted in assisting in the selection of projects as part of the ESIF programme 2014-2020 for SUD.

Background

- In July 2012 the Leeds City Region agreed a ‘City-Deal’ with HM Government giving greater local control over spending and decision-making particularly with regard to economic development, regeneration and transport. This ‘City-Deal’ agreed to the creation of a West Yorkshire Combined Authority and a commitment to develop an assurance process. The assurance process, once approved by HM Treasury, would provide a consistent, robust appraisal process for projects and programmes to inform investment decisions.
- In light of this, and the flexibility that is inherent within the assurance process, it represents a means to structure the local appraisal of ESIF SUD projects rather than developing a separate process. This approach complements the formal technical assessment carried out by MHCLG.

Introduction to selection of projects using the Assurance Process principles

The process adopted here reflects the guidance issued by MHCLG and adheres to the process and role of the Intermediate Body.

The Investment Committee provides advice to the Combined Authority in line with the nationally agreed criteria and in line with the agreed and signed Memorandum of Understanding between the Combined Authority and MHCLG.

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The Investment Committee provides advice to the Combined Authority to whether proposals set out at Outline and subsequently Full Application appropriately address:

Local strategic fit as defined in the Selection Criteria^[1] for the ERDF 2014-2020 programme, which includes how:

- the proposed operation contributes to the needs/opportunities identified in the Call for Proposals to which it is responding.
- the proposed operation is aligned to the local growth needs set out in the local ESI Funds Strategy and contributes to the specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme.

In addition, the Combined Authority provides advice to MHCLG on the following value for money and deliverability selection criteria:

Value for money

- The operation must represent value for money. In assessing value for money, MHCLG take account of:
 - efficiency: the rate/unit costs at which the operation converts inputs to the Fund outputs.
 - economy: the extent to which the operation will ensure that inputs to the operation are at the minimum costs commensurate with the required quality.
 - effectiveness: the extent to which the operation contributes to programme output targets, results and/or significant strategic impact at the local level.

Deliverability

- the operation is deliverable within the requirements of the fund specific Operational Programme taking account risks, constraints and dependencies
- evidence has shown that this type of operation is effective or where the operation is new or innovative, the risks have been considered and appropriate mitigations put in place.

Using the assurance process principles

The assurance process is designed to ensure any projects seeking public finance should be subjected to a rigorous appraisal. HM Treasury has developed the Green Book which provides the basis for how projects should be appraised using the 'five cases model' to carry out a holistic assessment.

The five cases are:

1. **Strategic**: does the scheme fit with the aims of the City Region's Strategic Economic Plan? **(used for selection of projects for SUD as part of the ESIF Strategy)**
2. **Economic**: is the scheme value for money? **(used for selection of projects for SUD as part of the ESIF Strategy)**
3. **Commercial**: is there demand for the scheme and is it commercially viable?

^[1] Selection Criteria [here](#)

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4. **Financial:** is the scheme affordable and sustainable?
5. **Management:** is the scheme deliverable with achievable objectives? **(used for providing advice on the selection of projects for SUD as part of the ESIF Strategy)**

The Green Book details approaches and tools that can be adopted in order to effectively appraise projects. It is accepted that the detail and extent of appraisal should reflect the size and complexity of projects, but within all appraisals there should be some consideration of each of the five cases.

The assurance process has been developed in line with these principles and was a key requirement that emerged from the LEP's City-Deal. The assurance process will be used by the LEP and the Combined Authority for all of its different funding regimes, providing a consistent and robust approach to appraise projects. This means all projects, irrespective of objectives or thematic area (transport, regeneration, housing, skills, innovation, enterprise etc.), will be assessed under this 'single' framework. This will better able the LEP and the Combined Authority to compare and prioritise projects and programmes.

It is the assurance process which is used to form the basis for the 'local' appraisal and selection of SUD ESIF projects outside the formal MHCLG assessment.

For the purposes of selecting SUD ERDF projects, the key principles of the assurance process are used – but only using cases 1, 2 and for advice case 3 as described above and in line with the nationally agreed criteria and the agreed and signed Memorandum of Understanding between the Combined Authority and MHCLG.

Strategic Fit – Proposed scope

The proposed assessment of strategic fit is currently structured around the four pillars of activity that are central to the Leeds City Region Strategic Economic Plan (SEP):

1. Growing businesses
2. Skilled People, Better Jobs
3. Clean Energy and Environmental Resilience
4. Infrastructure for growth

Promoting social inclusion and combating poverty, designed to reflect aspects of the social outcomes that are promoted within the ESIF programme, are integrated within the pillars.

The pillars have been broken down into activity that could contribute to strategic outputs within the respective pillar and projects would be scored against these criteria.

Value for Money (VfM) – Economic impact – proposed scope

In assessing the value for money of each of the projects, the process effectively mirrors that of the assurance process - ensuring that the costs and benefits of projects are taken into account and wherever possible quantified.

This is more straightforward for some projects than others and there is an onus on reflecting local intelligence and priorities. New jobs and catalytic projects are 'worth' more in some areas than others simply because there are fewer jobs or because it is

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more difficult to create and sustain jobs in certain locations. This is especially the case where disadvantage is long-term and entrenched.

The Research and Intelligence team own and manage the Regional Econometric Model, a complex tool that enables scenarios to be assessed in terms of their net economic impact. This provides a range of outputs with a focus on impacts in terms of employment and gross value added (a measure of economic impact). These outputs can be calculated over a range of different geographies.

Other approaches are used to quantify the outputs/outcomes that by their nature have a direct impact that is more social rather than economic.

In terms of the local assessment, additional measures of value for money are being used where necessary to provide more information on the potential impact of projects. Such measures and ratios include:

- Total GVA of the project
- Ratio of GVA to Total Cost AND public sector support
- Total cost per job
- Total GVA per job
- Cost benefit ratio
- Grant per job
- Cost per business assist
- Cost per skill outcome
- Capital / build costs

The appraisal is informed and supported by national and local research in terms of the costs of outputs and outcomes. This includes elements such as guidance issued by OFFPAT, evaluations of RDA activity and more recent, evidence emerging from the What Works Centre for Local Economic Growth and bespoke evaluations such as that carried out on the Combined Authority's Business Growth Programme (BGP).

Undertaking the work

The responsibility of the assurance process is the responsibility of the Director of Delivery, to whom a Head of PMA reports.

The Head of PMA oversees the appraisal work on relating to the five cases including local strategic fit and economic - value for money (VfM). This review is undertaken by dedicated staff, drawing on wider technical support as required, and involves dialogue with scheme promoters as appropriate.

Reporting

The results from the appraisal are presented in a summary assessment report, to the Programme Appraisal team for consideration. This provides an insight into the strengths and weaknesses, bringing together the metrics and other qualitative and quantitative information.

Appendix 6 – Programme Appraisal Team (PAT) terms of reference

1. Introduction

- 1.1. The Programme Appraisal Team (PAT) are West Yorkshire Combined Authority officers who oversee the assurance process as projects/programmes progress through it.
- 1.2. The assurance process is part of the Leeds City Region Local Assurance Framework (2019).
- 1.3. The PAT is an internal assurance group independent of scheme promoters and has no formal approval making powers. The PAT make recommendations which are then reported through the current Combined Authority governance arrangements for a formal decision/approval.

Figure 1: West Yorkshire Combined Authority assurance process



Objectives of the PAT

- 2.1. Ensure the Leeds City Region Local Assurance Framework principles are applied consistently at all stages of the assurance process and to facilitate the progress of projects through decision points. This will include:
 - a) Receiving and reviewing project case papers and appraisal reports from case officers and considering case officer recommendations at decision points.
 - b) Requesting further information/clarifications as appropriate to facilitate recommendations and approvals in accordance with delegations.
 - c) Ensuring that appropriate levels of appraisal, including peer consultation and review, has been undertaken as part overall scheme appraisal.
 - d) Providing decision point recommendations/approvals in accordance with delegations.
 - e) Recommending the assurance pathway and approval route for projects/programmes as part of the approval recommendation at decision point 2 (SOC) or decision point 3 (OBC).
 - f) Receiving and reviewing change requests for projects/programmes where a change falls outside of set tolerances in order to make recommendations in accordance with delegations.
 - g) Provide an interface between Senior Leadership Team, case officers, and key partners/stakeholders to escalate matters where

required, and report to Senior Leadership Team where a decision requires Managing Director approval

3. How the PAT will operate

PAT Membership:

3.1. The PAT consists of a core membership representing West Yorkshire Combined Authority policy/strategy, delivery, legal, and financial functions.

3.2. Meetings will be chaired by the Director of Delivery.

Table 1: PAT Membership

Role on the PAT	Responsibilities on the PAT	Suggested Membership
Director	Chair – to oversee the PAT	Director of Delivery
Portfolio Management & Appraisal Team (PMA)	Vice-Chair – to oversee the PAT in absence of the Chair To ensure the principles of the Leeds City Region Local Assurance Framework are adhered to. In particular being responsible for the assurance process and making sure Projects/Programmes are following the Assurance Framework and West Yorkshire Combined Authority Governance appropriately, and for the robustness of scheme appraisal and it's conformity with Green Book (and components of this such as TAG)	Head of Portfolio Management & Appraisal
Transport Policy	To ensure Projects/Programmes meet SEF Objectives in relation to transport.	Head of Transport Policy
Economic Policy	To ensure Projects/Programmes meet SEF Objectives in relation to economics.	Head of Economic Policy
Finance	To oversee any financial matters	Head of Finance
Research and Intelligence	To ensure all Projects/Programmes are following a robust, effective and proportionate monitoring & evaluation to ensure Project/Programme outcomes and benefits meet SEF Objectives.	Head of Research and Intelligence
Economic Implementation	To provide an independent challenge to non-economic projects and programmes	Head of Economic Implementation
Transport Implementation	To provide an independent challenge to non-transport projects and programmes	Head of Transport Implementation

PAT Attendance:

- 3.3. The PMA will provide secretariat services to the PAT
- 3.4. Case officers, independent technical advisers, peer group representatives (including representatives from partner authorities and/or third party private businesses) and other attendees as required will attend the PAT to supplement the decision making process.
- 3.5. The PAT also plays an ongoing role in refining and developing the assurance processes to improve how it is implemented and in operationalising the Assurance Framework.

Meeting Format

- 3.6. The PAT will meet on a regular cycle (fortnightly or more frequently subject to the programme) with an agenda based around the assurance process activities. Projects/programmes being discussed at the PAT will be allocated time slots in which discussion and recommendations will be made.
- 3.7. Promoters will attend meetings by invite only. Where a promoter does attend to present their scheme, they will only be present to their allotted time slot. They will be asked to leave the meeting in advance of any recommendation being made by the PAT.

Records of Meetings

- 3.8. Meetings will be minuted, with draft minutes being included in the papers circulated to the PAT members for the following meeting at which the minutes will be formally agreed and considered signed off.
- 3.9. Actions and recommendations relating to each specific project/programme being discussed will be captured and communicated to case officers and promoters separate to the official minutes.

Conflict of Interest

- 3.10. Where conflict of interest issues arises during a meeting e.g. scheme comes forward for discussion which member of the PAT is the Senior Responsible Officer for, the SRO will leave the meeting and will not be part of any discussions and recommendations in relation to their scheme. Where this happens, this will be minuted.

Making Recommendations

- 3.11. The PAT's recommendations will depend on the decision point for any given scheme summarised in the Leeds City Region Local Assurance Framework.
- 3.12. The PAT may recommend a scheme to not progress through a decision point or for additional information in order for a scheme to progress at any given decision point.

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- 3.13. All PAT Recommendations are reported through the current West Yorkshire Combined Authority governance arrangements for a formal decision/approval.

Appendix 7 – Strategic Assessment Review Group (SARG) terms of reference

Role/Purpose

The purpose of this Decision Point 1 Strategic Assessment Review Group (the 'review group') is to undertake the review of Strategic Assessments submitted to the Combined Authority, as the accountable body for the Combined Authority and Local Enterprise Partnership LEP, at decision point 1 (DP1) of the assurance process, as set out in the Leeds City Region Assurance Framework.

Membership

The review group core membership will comprise:

Chairs

- Head of Economic Policy (Policy, Strategy and Communications) – co - Chair
- Head of Transport Policy (Policy, Strategy and Communications) – co Chair

Policy, Strategy and Communications Representatives

- Head of Policy Co-ordination
- Head of Research and Intelligence

Delivery Representatives

- Programme Development Manager, (Feasibility & Assurance) **or proxy**
- Portfolio Lead – Controls and Processes (PMA) **or proxy**

Invitees (for optional attendance)

- Scheme promoter (or representative)
- relevant Case Officer - to attend for information only. The Case Officer will be identified once promoters notify the Combined Authority of its intention to submit a strategic assessment.

Other officers may be invited onto the group, including relevant Policy Managers, depending upon the Strategic Assessment that is due to be submitted.

Roles and responsibilities

- To be responsible for undertaking the assessment of potential schemes, for alignment and contribution to the policies and strategies of the Combined Authority, through the Strategic Assessment form that is submitted to the Combined Authority, at decision point 1
- To provide evidence and recommendations to the Directors of Delivery, and Policy, Strategy and Communications on a decision for every Strategic Assessment submitted, for approval

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- To agree any conditions that are required as part of a project/programme progressing through decision point 1, and which, subject to approval, will form part of the DP1 certificate

The core members of the review group will commit to:

- Attend all scheduled meetings of the review group, or nominate a proxy where required (see membership list)
- Make timely decisions so as not to hold up a strategic assessment's progress through the assurance process, as appropriate
- Notify the members of the review group, as soon as practical, if any matter arises that may be deemed to affect the group or their role on the review group in any way
- Champion the work of the review group

Meetings

The meeting will be chaired by either the Head of Economic Policy or Head of Transport Policy in the Policy Strategy and Communications directorate.

Decisions will be made by consensus (i.e. members are satisfied with a decision, even if it is not their first choice). When this is not possible, the chair will make the final decision.

Meeting papers will be provided by the PMA team. These will include:

- meeting agendas and supporting papers [produced by PMA]
- meeting notes [produced by Policy]
- Request for Decision (RfD) reports resulting from the Strategic Assessment, for the Directors of Delivery, Policy, Strategy and Communications

Meetings will be held as and when required and will be arranged based on when a promoter notifies the Combined Authority of its intention to submit a strategic assessment.³⁰

All papers required for the review group meetings will be issued not less than 5 days prior to the scheduled meeting. Meeting notes and an RfD report will be produced after a meeting has taken place.

Outcomes of Meetings

The notes of the meeting will inform the Request for Decision produced to seek approval from the Directors of Delivery and Policy, Strategy and Communications to for the scheme to progress to the next stage. The template for these notes is

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attached as Appendix 1. A checklist document has been produced for members of the Review Group with sample questions to consider as part of the review, which is attached as Appendix 2.

Variations and amendments

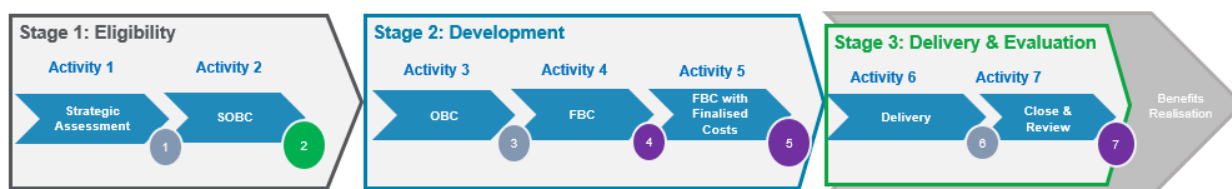
This Terms of Reference may be amended, varied or modified in writing after consultation and agreement with review group members.

Appendix 8 – Portfolio Management Group (PMG) terms of reference

1. Purpose

- 1.1. The purpose of the WYCA Portfolio Management Group is to review, monitor and report on WYCA’s portfolio of capital programmes and projects.

WYCA Assurance Process



- 1.2. The WYCA Portfolio Management Group is an internal group and has no formal decision-making powers. When required, the Portfolio Management Group make recommendations which are then reported through the current WYCA governance arrangements for a formal decision/approval.

2. Objectives of the WYCA Portfolio Management Group

- 2.1. To review, monitor and report on WYCA’s portfolio performance and expenditure each quarter, which will include:
- a) Reviewing, managing and monitoring:
 - 2.1.a.1. funding streams and spend against these
 - 2.1.a.2. outputs and outcomes/benefits
 - 2.1.a.3. risks
 - 2.1.a.4. issues
 - 2.1.a.5. progress
 - b) Quarterly reporting on portfolio spend, outputs, outcomes/benefits, risks, issues and progress to:
 - 2.1.b.1. Cities and Local Growth Unit
 - 2.1.b.2. WYCA Senior Management Team
 - c) Reporting on portfolio spend, outputs, outcomes/benefits, risks, issues and progress to Senior Leadership Team, Investment Committee, LEP Board and the Combined Authority, Directors of Development, Chief Highways Officers and Chief Executives as necessary.
 - d) Receiving and reviewing issues escalated from the funding stream portfolio boards and making recommendations for reporting through the appropriate WYCA governance arrangements for a formal decision/approval, if required.
 - e) Providing an interface between Leadership Team, Case Officers, and key partners/stakeholders to escalate matters where required.
 - f) Provide oversight and advice to Senior Leadership Team, Senior Management Team, Investment Committee, LEP Board and the Combined

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Authority on portfolio spend, outputs, outcomes/benefits, risks, issues and progress.

- g) Communication – maximise opportunities for publicity and marketing and ensure clarity and consistency of messages.

3. Membership / Attendance

3.1. Membership:

Note: Chair to circulate between the membership

- a) Director of Delivery
- b) Head of PMA
- c) Head of Implementation
- d) Head of Transport Policy
- e) Head of Research and Intelligence
- f) Head of Finance / Management Accountant
- g) Portfolio Lead (Monitoring and Reporting)

3.2. Attendance:

- a) Portfolio Support (PMA) – notes / action log

3.3. Attendance (by exception / as required):

- a) Head of Economic Policy
- b) Head of Business Support
- c) Portfolio Manager (Transport)
- d) Portfolio Manager (Growth Deal+)
- e) Evaluation Team Leader
- f) Growth Deal Priority Managers
- g) Non-Growth Deal Programme / Funding Managers
- h) Policy Managers (e.g. ESIF)

4. Meeting Format:

4.1. Frequency: monthly. Year-end information will be considered at the June meeting.

4.2. Agenda and Papers: Will be circulated at least two working days prior to the meeting.

4.3. Standard Agenda:

- a) Introduction and Apologies
- b) Action Log
- c) Discussion papers
- d) Issues escalated from the other portfolio boards and other funding stream review groups
- e) Dashboards: spend, outputs, outcomes/benefits, risks, issues and progress.

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- f) Risk Review
- g) Items for reporting to Cities and Local Growth Unit, Leadership Team, Organisational Management Team, Investment Committee and the Combined Authority
- h) Communications
- i) AOB

5. Records of Meetings

- 5.1. Notes will be taken and an action log will be produced and maintained.
- 5.2. The notes and action log will be circulated after the meeting and reviewed at the following meeting.

6. Making Recommendations

- 6.1. The WYCA Portfolio Management Group is an internal group and has no formal decision-making powers.
- 6.2. Any recommendations required, will be reported through the current Combined Authority governance arrangements for a formal decision/approval.

Updated: 7 August 2019

GLOSSARY

ASR	<p>Appraisal Specification Report:</p> <p>A report produced by the scheme promoter, in conjunction with the West Yorkshire Combined Authority, setting out the agreed approach to appraisal of the scheme, as part of the assurance process.</p>
AST	<p>Appraisal Summary Table:</p> <p>A summary of the key consequences relating to the environmental, economic and social impacts of a trunk road scheme. They are used to help determine which schemes should proceed and if they do, to decide which options to choose.</p>
BCG	<p>Business Communications Group:</p> <p>A group of people made up of key representatives from organisations in the City Region. They support business growth and act as an advisory group to the LEP Board.</p>
BCR	<p>Benefit Cost Ratio:</p> <p>An indicator used in cost-benefit analysis that attempts to summarise the overall value for money of a project or proposal.</p>
BEIS	<p>Business, Energy and Industrial Strategy:</p> <p>A ministerial department supported by 41 agencies and public bodies. It brings together responsibilities for business, industrial strategy, science, research and innovation, energy and clean growth, and climate change.</p>
BGP	<p>Business Growth Programme:</p> <p>The department for Business, Energy & Industrial Strategy set up grants for businesses that meet certain requirements. Businesses can apply to the Leeds City Region LEP to obtain these grants.</p>
BIG	<p>Business Innovation and Growth Panel:</p> <p>The panel consists of representatives from the private sector, universities, policy-makers and delivery partners. The panel reports to the LEP Board and the Combined Authority.</p>
CBA	<p>Cost Benefit Analysis:</p> <p>A systematic approach to estimating the strengths, weaknesses and alternatives for a decision to be made. It involves adding up the benefits of a course of action and then comparing these with the costs associated with it.</p>
CSF	<p>Critical Success Factors:</p> <p>A management term for an element that is necessary for an organisation or project to achieve its goals.</p>
DfT	<p>Department for Transport:</p> <p>A ministerial department supported by 23 agencies and public bodies. They work with agencies and partners to support the transport network and plan and invest in transport infrastructure.</p>

ERDF	<p>European Regional Development Fund:</p> <p>Aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The ERDF focuses its investments on several key priority areas and is designed to reduce economic, environmental and social problems in urban areas.</p>
ESIF	<p>European Structural and Investment Funds:</p> <p>Includes money from the European Social Fund, European Regional Development Fund and European Agricultural Fund for Rural Development.</p>
EU	<p>European Union:</p> <p>An association of European nations formed in 1993 for the purpose of achieving political and economic integration. Incorporating the European Community, the European Union's member states are Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. In 2016 the United Kingdom voted by referendum to withdraw from membership in the European Union.</p>
EZ	<p>Enterprise Zone:</p> <p>An area in which state incentives such as tax concessions and infrastructure incentives are offered to encourage business investment. There are 24 enterprise zones in England.</p>
FBC	<p>Full Business Case:</p> <p>Provides the detail of the preferred solution for a project or programme. It confirms the benefit, cost and risk of delivering the preferred solution. FBC+ represents a full business case with finalised costs.</p>
GPF	<p>Growing Places Fund:</p> <p>Funding from the Ministry of Housing, Communities and Local Government that supports key infrastructure projects designed to unlock wider economic growth, create jobs and build houses in England. This fund comprises of £730 million.</p>
GVA	<p>Gross Value Added:</p> <p>Measures the contribution made to the economy and is a key indicator of the state of the whole economy. It measures the value of goods and services produced in an area.</p>
Green Book	<p>HM Treasury guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project.</p>
HE	<p>Homes England:</p> <p>Formerly known as Homes and Communities Agency. An executive non-departmental public body that is sponsored by the Ministry of Housing, Communities and Local Government. HE helps create successful communities by making more homes and business premises available to the residents and businesses who need them.</p>

HMT	<p>Her Majesty's Treasury:</p> <p>The government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.</p>
LCR	<p>Leeds City Region:</p> <p>A functional region around Leeds, West Yorkshire.</p>
LEP	<p>Local Enterprise Partnership:</p> <p>Locally-owned voluntary partnerships between local authorities and Businesses. Set up in 2011, they play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs.</p>
LGF	<p>Local Growth Fund:</p> <p>Growth Deal funding provided to Local Enterprise Partnerships for projects that benefit the local area and economy.</p>
LIS	<p>Local Industrial Strategy:</p> <p>Led by Mayoral Combined Authorities or Local Enterprise Partnerships, to promote the coordination of local economic policy and national funding streams and establish new ways of working between national and local government, and the public and private sectors.</p>
LVU	<p>Land Value Uplift</p> <p>This is quantification of the net benefits of a scheme proposal. This measures the difference of value from the land's current use to when it is used for another purpose as an economic uplift and captures all private sector costs of development.</p>
MCA	<p>Mayoral Combined Authority:</p> <p>A combined authority with a mayor that is elected by the residents of the area. The mayor, in partnership with the combined authority, exercises the powers and functions devolved from government, set out in the local area's devolution deal.</p>
MD	<p>Managing Director:</p> <p>The person who is in overall charge of the running of an organisation or business. The Managing Director of the Combined Authority is also the Chief Executive Officer of the LEP.</p>
MHCLG	<p>Ministry of Housing, Communities and Local Government:</p> <p>Formerly known as Department for Communities and Local Government (DCLG). A ministerial department supported by 13 agencies and public bodies. They create great places to live and work, and to give more power to local people to shape what happens in their area.</p>

NPV	<p>Net Present Value:</p> <p>The difference between the present value of the future cash flows from an investment and the amount of investment. NPV is used to analyse the profitability of a projected programme or project.</p>
Nolan Principles	<p>The seven principles of public life, which are the basis of the ethical standards expected of public office holders.</p>
OBC	<p>Outline Business Case:</p> <p>This sets out the preliminary information regarding a proposed project/ programme. It contains information needed to help make a decision regarding the implementation of the project/ programme such as envisaged outcomes, benefits and potential risks associated.</p>
Orange Book	<p>HM Treasury guidance for public sector bodies on risk management.</p>
PAT	<p>Programme Appraisal Team:</p> <p>A team formed to ensure compliance with the assurance framework. It is a formal group of West Yorkshire Combined Authority officers who oversee the assurance process.</p>
PCR	<p>Project Closure Report:</p> <p>The final document produced for the project and is used by senior management to assess the success of the project, identify best practice for future projects, resolve all open issues and formally close the project.</p>
PIMS	<p>Portfolio Information Management System:</p> <p>A bespoke management system used to provide transparency, consistency, efficiency and focus on delivery.</p>
PMA	<p>Portfolio Management And Appraisal Team:</p> <p>A team formed to ensure a rigorous approach to the assurance process, including the appraisal of projects and monitoring and reporting on our portfolio, so we get the best schemes for our money</p>
QRA	<p>Quantified Risk Assessment:</p> <p>A structured approach to identifying and understanding the risks associated with hazardous activities. The assessment takes inventory of potential hazards, their likelihood and consequences.</p>
RAG	<p>Red, Amber and Green rating:</p> <p>Also known as the traffic light system and used as a visual cue to project performance.</p>
REM	<p>Regional Econometric Model:</p> <p>Incorporates aspects of four major modelling approaches; Input - Output, General Equilibrium, Econometric, and Economic Geography. It estimates the changes in total regional income and employment.</p>

SA	<p>Strategic Assessment:</p> <p>This determines the strategic context for a programme/project and provides an early opportunity for key stakeholders to influence the direction, scope and scheme content.</p>
SEP	<p>Strategic Economic Plan:</p> <p>A long-term plan that shows how the LEP and Local Authorities will grow the economy and how its ambitions will be achieved. The SEP will be replaced by SEF during 2020.</p>
SEF	<p>Strategic Economic Framework:</p> <p>An agile, long-term strategic framework, incorporating both the new Local Industrial Strategy (LIS) as well as a full range of policies and strategies, reflecting the scale of our ambitions and priorities for the City Region.</p>
SME	<p>Small and Medium Enterprises:</p> <p>A company is defined as an SME if it has a staff headcount of either <50 (small) or <250 (medium sized). The company also needs to have a turnover or balance sheet total of ≤€10m (small) or ≤€50m (turnover) or ≤€43m (balance sheet) (medium).</p>
SOC	<p>Strategic Outline Case (SOC)</p> <p>The purpose of the SOC is to confirm the strategic context for the project, to make the case for change and to determine 'the preferred way forward'</p>
SUD	<p>Sustainable Urban Development:</p> <p>Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Urban development should be guided by a sustainable planning and management vision that promotes interconnected green space, a multi-modal transportation system, and mixed-use development</p>
TfN	<p>Transport for the North</p> <p>A statutory sub-national transport body, which is a partnership of public and private sector representatives working with central government and national transport bodies to develop and deliver strategic transport infrastructure across the North of England.</p>
UDM	<p>Urban Dynamic Model:</p> <p>A simulation of how transport interacts with population, employment and land-use over long periods of time, typically ten years or more. It helps understand how transport could contribute to economic regeneration.</p>
VfM	<p>Value for Money:</p> <p>The most advantageous combination of cost, quality and sustainability to meet customer requirements.</p>
TAG	<p>Web-based Transport Appraisal Guidance:</p> <p>Guidance on the conduct of transport studies. It provides advice on how to set objectives and identify problems, develop potential solutions, create a transport model for the appraisal of the alternative solutions</p>

	and how to conduct an appraisal which meets the department's requirements.
West Yorkshire Transport Levy	An annual levy on the West Yorkshire authorities, which is used to invest in priority projects/programmes across West Yorkshire, helping to deliver a number of key transport priorities.

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

Date: 16 January 2020

Subject: **LEP and Combined Authority Business Planning and Budget 2020/21**

Director: Angela Taylor, Director, Corporate Services

Author(s): Angela Taylor and Jon Sheard

1. Purpose of this report

- 1.1 To advise the LEP Board of the work underway to progress business and budget planning for 2020/21.

2. Information

- 2.1 The business planning and budget setting process for 2020/21 has been progressing well over recent months and has been set in the context of the previously agreed three year strategy that included a commitment to reduce the transport levy by £1 million in each of the three years and to reduce the use of reserves to produce a balanced position by 2020/21 and subsequent years.
- 2.2 The budget is accompanied by business plans for each directorate that clearly set out their planned activities and how these activities map out against the four Combined Authority and LEP objectives of boosting productivity, enabling inclusive growth, supporting clean growth and delivering 21st century transport. These four are used to guide and direct the allocation of budget resources. Each plan is being summarised as a plan on a page and the latest drafts of these are set out in **Appendix 1**. These will be the foundation for the corporate plan for 2020/21 and the separate LEP Delivery plan, both of which will be in place by 1 April 2020.
- 2.3 Work to deliver a balanced budget has progressed under scrutiny and engagement with appropriate committees, partners, including Directors of Finance and public engagement is currently underway using the yourvoice portal. This work is being overseen by the Budget Working Group, which includes amongst its members the LEP Chair. The need to both achieve and demonstrate efficiency, effectiveness and value for money remains core to the approach being taken.

- 2.4 The detailed business plans produced by each directorate reflect a focus on both continuing to deliver services as effectively as possible whilst also identifying those areas where additional work is required to ensure continuing improvement, transformation of services and full achievement of the corporate priorities. With limited opportunities to generate income and the ongoing squeeze on public sector finance it is clearly not possible to set a budget that enables delivery of all elements of the business plan.
- 2.5 The draft baseline revenue budget is attached at **Appendix 2** and at this point shows a balanced position for 2020/21. It assumes the transport levy is cut by a further £1 million (the third in a series of three-year cuts) as previously agreed. It also acknowledges the difficulty of setting a budget in the current context when devolution negotiations are not yet concluded, the new government and its policies are unknown, and the spending review is still to happen later in the year. Recent budget discussions have shown little opportunity or appetite to add to current spending in this situation and that the focus should be on maintaining existing front-line services.
- 2.6 In putting together budget submissions directorates within the Combined Authority are tasked with minimising costs and maximising income. Senior manager challenge sessions are used to scrutinise the funding requirements put forward, with this information then informing discussions with Members on options to present a balanced budget. These actions have resulted in a range of efficiencies and savings each year that have contributed to the Combined Authority being able to reduce the transport levy and achieve more for less.
- 2.7 A balanced position has been achieved on the basis that the renegotiation of the English National Concessionary Travel Scheme (ENCTS) arrangements will deliver £0.5 million additional savings, and that £400,000 of efficiency / transformation savings can be found within transport functions. Both of these contribute to protecting front line bus tendered services and the concessionary travel scheme for the travelling public.
- 2.8 There are a significant number of risks and challenges that remain for 2020/21, including any actions that may be required to respond to the sales of the UK bus operations of First and Arriva, the uncertainty around funding for skills and business support and the impact of Brexit. A risk-based review of the level of general reserves required is underway and will be brought to the next meeting. It is expected this will be at a slightly higher level than the current £5 million and the savings achieved in the current year will enable reserves to be maintained at nearer to £7 million.
- 2.9 The proposed budget for 2020/21 is presented, in line with previous years, as a joint Combined Authority and LEP position. It assumes that the core funding for the LEP continues to be received, along with the current level of LEP subscriptions from the Combined Authority's constituent authorities. These figures are unlikely to be confirmed until the work to address the requirements of the Strengthened LEPs publication is finalised.

- 2.10 It has been assumed that future year pay awards will be around 2% average rate and the results are awaited from the Pension Fund triennial valuation which will provide employer contributions rates for 2020/21 to 2022/23. At present it is assumed employer pension rates remain at the same level as current year.

Budget beyond 2020/21

- 2.11 Based on a continuing standstill on the transport levy, and assuming that expenditure on bus tendered services remains unchanged from the 2020/21 position then the budgets for 2021/22 and 2022/23 still present budget shortfalls that would be exacerbated by the cliff edge funding that comes to an end. Additionally, all major capital funding streams should be spent by the start of 2021/22, other than West Yorkshire plus York Transport Fund, and depending on the success of bidding for further funding streams, both the delivery team and the associated capitalisation will need to be reconsidered.
- 2.12 At this stage it would be challenging to introduce recurring expenditure into the base revenue budget for any recurring spend.

Capital programme

- 2.13 Work is continuing on finalising the three-year capital programme and maximising the funding available. A significant number of new schemes have achieved decision point 2 of the assurance framework and have therefore passed the eligibility threshold for inclusion in the Growth Deal programme. Much of the current Growth Deal funding which makes up the largest element of the capital funding available concludes in 2021. How Government will handle any underspend is unclear.
- 2.14 There is an ongoing income stream beyond this date of £30 million per annum for the West Yorkshire plus York Transport Fund, to be supplemented by borrowing in accordance with the original City Deal, but it is expected there will still be a requirement beyond 2021 for a broader capital programme that would need to be supported by borrowing or yet to be identified funding streams.
- 2.15 The detailed expenditure programme is being verified by partners delivering the projects and highlights a borrowing requirement from 2019/20 onwards. The revenue costs of supporting this borrowing, which is predominantly for the Transport Fund, will be reflected in the final proposed budget in February 2020, to be funded from the Transport Fund reserve. It is intended to utilise the Transport Fund reserve to support these costs but once these are applied it must be noted that there will be an ongoing long-term commitment to meet the costs of the borrowing entered into. A fuller consideration of debt costs and the application of the Transport Fund reserve to meet these is being undertaken and will be brought to the February 2020 meeting. **Appendix 3** sets out the latest draft forecast for capital expenditure and funding by programme up to 2022/23.

- 2.16 Early information on the draft borrowing costs has been shared with the West Yorkshire Directors of Finance. They have noted the lower level of borrowing expected for 2020/21 and have proposed that the previously agreed £2 million rebate from the Transport Fund reserve next year is increased to £3 million. During 2020/21 a longer term proposal for meeting the borrowing costs in the medium and longer term will be developed with the Directors of Finance to be reflected in the updated medium-term financial strategy.

Summary

- 2.17 The Combined Authority will be agreeing the detailed budget (capital and revenue) and business plan 2020/21 at its meeting on 6 February 2020. It will also set out a detailed reserves policy and treasury management statement.
- 2.18 The LEP Board is asked to consider the business plans and budget position and provide any further input to them.

3. Clean Growth Implications

- 3.1 Clean growth objectives and priorities are included in the draft business plans, and the budgets seek to include where possible resource to address this work.

4. Financial Implications

- 4.1 As set out in the report.

5. Legal Implications

- 5.1 As set out in the report.

6. Staffing Implications

- 6.1 As set out in the report.

7. External Consultees

- 7.1 None.

8. Recommendations

- 8.1 That the LEP Board consider the work undertaken to finalise the business planning, revenue budget for 2020/21 and draft capital budget.

9. Background Documents

- 9.1 None.

10. Appendices

Appendix 1 - 2020/21 draft business plans

Appendix 2 - Draft revenue budget 2020/21 to 2022/23

Appendix 3 – Draft capital budget 2020/21 to 2022/23

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Vision

Our region will be recognised globally as a place with a strong, successful, inclusive economy where world-class transport, skills and digital connectivity enables everyone to build great businesses, careers and lives

Mission

Developing and delivering economic and transport services, schemes and programmes in partnership with the public and private sectors, focussing on transport, skills, business support and digital connectivity

Aims

<p>Boosting Productivity Helping businesses to grow and bringing new investment into the region to drive economic growth and create jobs in a post- Brexit landscape</p>	<p>Enabling Inclusive Growth Enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns</p>	<p>Delivering 21st Century Transport Creating efficient transport infrastructure to connect our communities, making it easier to get to work, do business and connect with each other</p>	<p>Tackling the Climate Emergency Growing our economy while cutting emissions and caring for our environment</p>	<p>Securing money and powers Empowering the region by negotiating a devolution deal and successfully bidding for substantial additional funds</p>
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Objectives
(What we want to achieve in 2020-21)

- | | | | | |
|---|--|---|--|--|
| <ol style="list-style-type: none"> Support business to respond to the challenges & opportunities of Brexit Implement the Local Industrial Strategy & Strategic Economic Framework Complete delivery of the Skills Commission, maximising its influence & embedding it in the Leeds City Region Provide 80 businesses with intensive support to boost productivity/innovation capacity Attract 30 global investors to the region creating 1700 jobs Help 350 businesses to increase overseas trade Embed the Regional Digital Framework | <ol style="list-style-type: none"> Deliver an Inclusive Growth Programme in line with the Strategic Framework Enable c20 million socially necessary passenger journeys Implement an operating model for demand responsive transport services Reach 250,000 people with targeted careers information Engage 800 businesses with skills initiatives Continued delivery of [re]boot & Employment Hub Connect homes & businesses to superfast broadband Embed inclusive growth in all our policies | <ol style="list-style-type: none"> Increase bus patronage & satisfaction through the West Yorkshire Bus Alliance Transform passenger information & modernise travel centres Increase bus use amongst under 25s at no increased cost Manage over 1 million MCard sales & launch a mobile app Continue work on future bus options & alternative governance models Develop a strategic business case for urban transit proposals Establish a rail strategy, preparing for HS2 & Northern Powerhouse Rail Deliver schemes in WY+ Transport Fund, LTP and Leeds Public Transport Investment Programme & delivery of a Transforming Cities Fund | <ol style="list-style-type: none"> Mobilise the Climate Coalition, to achieve early years targets to reach zero-carbon by 2038. Deliver 10 priority projects in the Energy Strategy Provide intensive clean growth support to 150 businesses (through Resource Efficiency Fund & the Travel Plan Network) Enable 8 schemes to enter the Energy Accelerator Install 88 vehicle charging points Establish a connectivity plan and pipeline, promoting active & decarbonised travel Reduce carbon from the Combined Authority's assets | <ol style="list-style-type: none"> Complete investment of growth deal into projects by March 2021 Progress a devolution deal and ensure the LEP Meets new government requirements Influence the shape & size of future regional funding (including the UK shared prosperity fund) Secure funding to deliver against key corporate objectives Maximise delivery against European funds. Ensure the successful transition of Future Mobility Zones and Transforming Cities Fund bids into delivery |
|---|--|---|--|--|

Enablers
(What will help us)

<p>Our partnerships</p> <p>Deliver an agreed communications & engagement programme to strengthen regional partnerships</p> <p>Work in partnership to influence Government on key priorities including strategic rail devolution, skills and climate change.</p> <p>Embed a consistent regional voice to strengthen our contribution to national debates</p>	<p>Our systems</p> <p>Achieve highest standards of governance and transparency</p> <p>Digitising key processes to improve efficiency</p> <p>Embed the HR strategy & new policies on recruitment/performance management</p> <p>Strengthen appraisal and evaluation across our capital portfolio</p>	<p>Our people</p> <p>Embed our culture change programme</p> <p>Develop and implement inclusive plan in response to staff survey</p> <p>Establish corporate learning and development programme</p> <p>Further develop the employee wellbeing strategy</p>	<p>Our resources</p> <p>Accommodation project – refurbishment of Wellington House</p> <p>Corporate Technology Programme – harnessing new technology to improve efficiency, reduce carbon usage and facilitate inclusive growth.</p> <p>Rigorous financial management</p>
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Our Values

Working Together	Positive about Change	Easy to do business with	Working Intelligently	Championing our Region
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How we will measure success

Key performance indicators across all priorities, reported quarterly to the Combined Authority

Growth Deal outputs (detailed indicators currently in development but to include metrics such as: no. businesses/individuals supported through our economic services, no. jobs brought to the Region, progress on capital projects and spending forecasts, customer satisfaction with public transport information and ticketing, % of procurement strategies including social value and carbon reduction targets associated with Combined Authority services and assets)



Ways of working

- Working in partnership with the public and private sectors
- Influencing locally and nationally to promote the aims of our region
- Engaging with people, communities and businesses so that they shape what we do

Key risks, issues and assumptions

- Uncertainty surrounding devolution arrangements, funding cliff edges and changes in Government policy
- Impact of Brexit on our businesses, our services and our supply chain
- Striking the right balance between clean growth & improved productivity
- Changes in rail franchising, governance & in bus company ownership
- Managing shifting priorities in a post-Brexit landscape & ensuring we maintain a unified regional voice

Agenda Item 11 Appendix 1

Vision
We lead thinking, developing policies and strategies to transform the region as an inclusive, clean economy; securing the investment and powers to put those policies into action; and championing the region's interests locally, nationally and internationally

Services

Communications & Marketing
To engage with people, communities and businesses to deliver a positive profile to international, national, regional and local audiences.
Supporting these Corporate Priorities: 

Research & Intelligence
To provide a best-in-class data and intelligence infrastructure to enable informed and strategic decision making, and efficient monitoring and evaluation.
Supporting these Corporate Priorities: 

Economic & Transport Policy
To develop transformative policies and strategies, and secure long-term funding and devolved powers to drive a clean and inclusive regional economy.
Supporting these Corporate Priorities: 

- Priorities (What we want to achieve in 2020-21)**
1. Influence Government to secure change in relation to key priorities including strategic rail (NPR, HS2 etc), devolution, skills and climate change.
 2. Deliver communications strategy with LCR Climate Coalition to tackle the climate emergency.
 3. Establish and deliver a Communications and Marketing strategy to support organisational priorities, working with partners to embed a consistent regional voice.
 4. Raise the profile of key spokespeople and the CA/ LEP; strengthen our contribution to national debates.
 5. Promote the region nationally and internationally, and the CA/ LEP's transport and economic services locally and regionally to ensure take-up of those services.
 6. Deliver an agreed partnership communications and engagement programme to strengthen relationships with partners across the region.
 7. Develop and launch a high-profile programme of active travel communications to champion healthier and low carbon means of travel, including through City Connect.
 8. Contribute to the next phase of organisational change through strategic and tactical internal communications.
 9. Provide a high quality, responsive consultation and engagement function to the organisation and partners.

1. Develop our information and intelligence assets to provide evidence for the region's strategies and policies; to monitor progress on all programmes; and to report on the state of the regional economy.
 2. Drive project evaluation and economic appraisal to support the design of key projects and programmes, including appraising carbon impact to tackle the climate emergency.
 3. Develop targets and performance reporting to underpin the Strategic Economic Framework.
 4. Provide outstanding evidence and appraisal to support key priorities – including climate emergency, devolution, inward investment, skills commission and labour markets, European project appraisal, business case appraisal, Assurance Framework, UKSPF, Brexit.
 5. Raise the profile of the CA evidence advocacy across key policy areas and further strengthen working partnerships with district partners and external organisations.
 6. Ensure the CA and the LEP's analytical capability can respond to key operational and reactive requirements.
 7. Improve access to key content for partners across the region by developing, managing and communicating the Combined Authority's intelligence assets across all channels and enabling client self-service; implement Open Data Strategy.

1. Tackle the Climate Emergency by publishing detailed carbon reduction pathways to net zero by 2038, delivering the Energy Strategy, and mobilising the Climate Coalition.
 2. Progress a devolution deal to secure investment and powers, unlocking the potential of the region.
 3. Finalise and implement the Local Industrial Strategy and Strategic Economic Framework, and develop a pipeline of interventions across the foundations of productivity.
 4. Influence the shape and size of future regional funding, including maximising delivery of European funds, the UK Shared Prosperity Fund and the 2020 Spending Review.
 5. Develop and implement a pipeline of interventions across SEF priorities to enable inclusive growth.
 6. Establish a rail strategy, secure HS2 & NPR, develop plans for Mass Transit and future of Bus services.
 7. Successful transition of Future Mobility and Transforming Cities bids into delivery and Bus Alliance into operation.
 8. Establish a connectivity plan and pipeline, promoting active and decarbonised travel for all communities.
 9. Develop a Place Strategy articulating the full range of infrastructure needs, supporting an investment pipeline.
 10. Complete delivery of the Skills Commission.

Resources (What we need)

Our staff
Highlight staff figures to be included.

Our budget
Highlight budget figures to be included.

Our tools and support
Ensuring we have access to key specialist consultancy resources where we have gaps in internal capability (and to support building internal capability) particularly in areas such as carbon impact assessment work.

Our key interfaces
Transforming Cities Fund and Transport Pipeline – Delivery and Transport Services
Local Industrial Strategy – Economic Services
Clean Growth Action Plan and Carbon Impact Assessment – Whole organisation
Communications, Consultation and Marketing – Delivery, Economic Services, Transport

Values

Working Together

Positive About Change

Easy to Do Business With

Working Intelligently

Championing our Region

How we will improve our service
Directorate Improvement Plan: 1) Build capacity and capability through renewed focus on learning and development; 2) Strengthen integration of directorate services; 3) Improve systems for information development, storage and retrieval; 4) Develop working arrangements with partners.



Corporate Priorities



Boosting productivity



Delivering 21st century transport



Enabling inclusive growth



Tackling the climate emergency

Key risks, issues and assumptions

Uncertainty surrounding devolution deal arrangements, funding cliff edges, and changes in Government policy.

Ensuring we have the critical mass and capability to evaluate our projects and programmes as our delivery pipeline becomes more mature and we develop the right skill sets.

Managing expectations on shifting priorities, including responding to a post-Brexit economic landscape, and ensuring we develop and maintain a unified regional voice.

Needing to ensure that we adequately manage reputational risk.

DELIVERY DIRECTORATE PLAN ON A PAGE **(DRAFT)**


2020-21

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

Services


Portfolio Management and Appraisal (PMA)

Ensure a rigorous approach to the assurance process, including the appraisal of projects and monitoring and reporting on our portfolio, so we get the best schemes for our money

Supporting these Corporate Priorities: 


Economic Implementation Team

Working with partners to deliver economic regeneration and related capital infrastructure projects. Leading in-house corporate ICT projects for the Combined Authority.

Supporting these Corporate Priorities: 

Transport Implementation Team.

Working with partners to deliver transport projects which meet our strategic priorities and derive maximum benefit for the region

Supporting these Corporate Priorities: 



Priorities (What we want to achieve in 2020-21)

- Meeting Growth Deal spend targets and delivering successful outcomes for communities.
- Embed Clean Growth targets and measures into the design of new projects to contribute to our climate emergency priorities.
- Working across directorates & partners to learn lessons from past programmes in order to influence the design and scope of new programmes and ensure our readiness to deliver for the future.
- Embed use of the Portfolio Information Management System with partners.
- Explore opportunities for new ways of working to maximise our impact e.g. through joint venture partnerships or the Combined Authority directly delivering development projects
- Celebrate the success of delivering projects as they are delivered and benefits realised.

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|--|---|--|
| <ol style="list-style-type: none"> Strengthen appraisals to ensure greater consistency Review and streamline the Assurance Framework State of readiness for Growth Deal 2024 review Delivery of the capital programme by influencing, checking and challenging to ensure we meet our strategic priorities and derive maximum benefit for the region Incorporation of CA policies and strategies into the assurance process and monitoring and reporting processes, including inclusive growth and clean growth Manage PIMS to ensure 'one version of the truth' and clear and concise monitoring and reporting in partnership with the Finance Team to our partners and leaders Planning for future funding programmes to ensure processes are in place to be able to manage them effectively Evaluation of funding programmes | <ol style="list-style-type: none"> Complete investment of Growth Deal into projects by March 2021 Ensure a 'State of Readiness' to deliver new investment through the proposed Shared Prosperity Fund, anticipated Devolution & new approaches to business finance Enable capital investment in 8 low carbon projects through the Energy Accelerator Deliver superfast broadband connectivity across the city region through the Broadband programme Reclaim brownfield land to enable over 170,000 hectares of new commercial floor space through the Enterprise Zone programme. Further develop mobile applications to make it easier for people to pay for public transport. Complete the Corporate Technology Programme Embed Clean Growth principles into the new Business Finance Investment Strategy Initiate the new Future Mobility Programme | <ol style="list-style-type: none"> Continued delivery of the West Yorkshire Plus Transport Fund portfolio and phase 3 of the City Connect cycling and walking programme. Completion of the Leeds Public Transport Investment Programme / Connecting Leeds investment programme by March 2021 Initiate delivery of Transforming Cities Fund portfolio of projects once funding has been approved – secure additional resource Complete Wellington House Accommodation project as part of the CA's contribution to supporting Clean Growth Supporting our partners in business case development and project delivery, through an embedded business partnering approach Support partners with delivery resources and recruitment - capacity and capability to deliver Explore further opportunities to engage and work with the private sector on delivery |
|--|---|--|

Corporate Priorities



Boosting productivity



Delivering 21st century transport



Enabling inclusive growth



Tackling the climate emergency

Resources (What we need)

Our staff <i>Highlight staff figures to be included.</i>	Our budget <i>Highlight budget figures to be included.</i>	Our tools and support <i>Specialist consultancy support (technical, commercial & legal) will be required as we embed our new approach to delivery of:</i> <ul style="list-style-type: none"> New rail stations Business finance Transforming Cities Fund <i>To provide additional capacity for district partners & for appraisal of complex schemes & assessment of carbon impacts</i>	Our key interfaces <ul style="list-style-type: none"> Corporate Services support - particularly Finance, Legal & Procurement - across all programmes, & HR for recruitment & retention, learning and development, & well-being Comms and Engagement support Cross-directorate representation for the Programme Appraisal Team and Strategic Assessment Review Group
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Key risks, issues and assumptions

- Incorporating new / change of policies into assurance process and measuring impact on delivery*
- Recruitment and retention – impacted by wellbeing, market pressures, pay, learning and development, lack of clear funding stream for economic projects*
- Failure to deliver funding programmes within timescales or costs and capture outputs and benefits – reputational impacts*
- Continuing Brexit uncertainty impacting private sector investment decisions*
- Post 2021 economic funding. Economic Growth Deal programme ends in March 2021 with future funding still to be identified*

Values

Working Together

Positive About Change

Easy to Do Business With

Working Intelligently

Championing our Region

How we will improve our service

Organisational Design structures embedded and reviewed as necessary – greater capacity, building our own, improved retention, efficient resource planning. Continuously improving appraisal & consistency of business cases, monitoring and reporting. Planning for future funding – scoping and defining schemes with Policy directorate and partners to ensure rigour and deliverability, learning from the evaluation of past schemes. Placing a greater emphasis on supporting Clean Growth and Inclusive Growth



Working in partnership with the



Vision
A vibrant and inclusive economy which attracts and enables responsible and clean business investment and helps people from all backgrounds to develop their skills, access opportunities and progress in employment.

Services	Business Support <i>Provide a comprehensive service to help identify, secure and fund solutions to clean growth, inclusive growth productivity and resilience.</i> Supporting these Corporate Priorities:	Employment and Skills <i>Develop Skilled People, working with businesses and education partners to create better jobs and opportunities</i> Supporting these Corporate Priorities:	Trade and Investment. <i>Secure Investment projects which create jobs and world class assets, whilst generating global business opportunities.</i> Supporting these Corporate Priorities:
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Priorities
(What we want to achieve in 2020-21)

- | | | |
|---|--|---|
| <ol style="list-style-type: none"> Support our businesses to respond to the challenges and opportunities arising from Brexit. Providing intensive support to 1,000 businesses Expand and enhance the range of business support available in the City Region, with a particular focus on clean growth, inclusive growth, innovation and productivity. Stimulate more demand for business support and external finance through closer collaboration with the private sector intermediary community, including funders. Deliver a 'single front door' access point for investors and businesses to engage effectively with public sector funding opportunities in the City Region. Encourage employers in the City Region to adopt more sustainable practices, providing 150 businesses with intensive clean growth support (through the Travel Plan Network and the Resource Efficiency Fund). Secure the long-term future of the Growth Service and move towards an integrated physical hub for all business support professionals in the City Region. | <ol style="list-style-type: none"> Promote a system which delivers better outcomes at a local level through the Future-Ready Skills Commission. Carry out a final review of delivery agreements with seven West Yorkshire FE Colleges to influence education and skills provision. Reach 250,000 people through the all-age FutureGoals platform, with information on careers linked to labour market information, and support 1,000 adults to upskill and re-train in skills shortage areas. Provide support for SMEs and levy-payers to create more apprenticeship opportunities. Showcase the employment and skills opportunities available within the Creative & Digital Sector, and work with partners to bring them to a more diverse audience. Develop strong partnership between employers and 105 of our most disadvantaged schools to improve the attainment, ambitions and destinations of young people, influencing 800 businesses to engage with education. | <ol style="list-style-type: none"> Identify, attract and secure inward investment into the region (businesses and infrastructure), bringing 30 successful projects to the Leeds City Region and creating 1,700 jobs. Encourage and support more businesses to sell their products in international markets, with a particular focus on China and India, assisting 350 businesses with overseas trade initiatives. Raise the international profile of the Leeds City Region economic opportunities at major global events, such as MIPIM and SMART cities Maintain an effective Key Account Management service for indigenous foreign-owned businesses, supporting 120 companies through active account management. Contribute to the ongoing growth of the Creative & Digital Sector, including through the delivery of # Grow, # Welcome and the Creative Industries Opportunity Programme. |
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Corporate Priorities

Resources <i>(What we need)</i>	Our staff <i>Highlight staff figures to be included.</i>	Our budget <i>Highlight budget figures to be included.</i>	Our tools and support Evoluteive; Dynamics; Fame; EG Radius; Proactis; In-Tend; Policy team; Legal team; Information Governance team; Finance team; Procurement team; Research and Intelligence team. Policy and Strategy team; Marketing & Comms team; Office Facilities, external consultants	Our key interfaces <i>Working with the Policy, Strategy & Comms directorate in securing additional external funding for core programmes and services.</i>
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Values	Working Together	Positive About Change	Easy to Do Business With	Working Intelligently	Championing our Region
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How we will improve our service
 The development and implementation of a new CRM technology will deliver a more cost-effective, central access point for the businesses and people to our services. By ensuring we maximise funding and investment in our region, to grow job and career opportunities whilst ensuring they are inclusive, accessible and environmentally sustainable for future.

Key risks, issues and assumptions

- Impact of Brexit on our businesses and our services
- Securing funding to deliver existing and new products and services
- Delivery of large complex programmes with multiple providers, funders and beneficiary groups
- Striking the right balance between clean growth and improved productivity
- Government funding for careers activity is available in 2020/21.
- The UK leaves the EU on 31 January 2020
- The required external funding from ERDF, ESF and DIT is secured.

Vision *To enable more people to use sustainable transport and to ensure our property assets deliver the Combined Authority's priorities*

Services	Customer Services <i>Changing the way people plan and pay for their travel</i> <i>Enabling more people under the age of 25 to use public transport</i>	Assets and Facilities <i>Delivering the Combined Authority's Asset Management Strategy</i> <i>Using land and property to deliver the Combined Authority's corporate priorities</i>	Mobility Services <i>Changing the way people travel around the region by public transport</i> <i>Enabling people to access employment, education and local services and facilities</i>
	Supporting these Corporate Priorities: 	Supporting these Corporate Priorities: 	Supporting these Corporate Priorities: 

Priorities <i>(What we want to achieve in 2020-21)</i>	To modernise our travel payment and information services Our Customer Services team; 1. Enable over 150,000 under 19s and over 250,000 older and disabled people to free or discounted public transport 2. Manage over 1million MCard sales through over 700 outlets, Metro Travel Centres online and on smart phone 3. Answer 1.1 million travel information enquiries In 2020/21, to improve our service, we will; 4. Increase bus use amongst under 25s at no increased cost to the Combined Authority through delivery of the West Yorkshire Bus Alliance workplan 5. Launch an MCard mobile ticketing app to grow the market for multi operator tickets as an early deliverable of our Future Mobility plans 6. Transform information to bus passengers at a reduced cost to the taxpayer 7. Modernise the bus station Travel Centres 8. Develop a system to retail MCards and administer travel bursaries for Further Education colleges	To strengthen our use of property to deliver the Combined Authority's strategic objectives Our Assets & Facilities Team; 1. Manage 20 bus stations situated in and around the Leeds City Region, over 14,000 bus stops and passenger shelters, 6 rail station car parks and a portfolio of non- transport assets 2. Provide strategic and commercial property advice to the organisation In 2020/21, to improve our service, we will; 3. Maximise the commercial potential of the Combined Authority's portfolio through the delivery of the Asset Development Plan 4. Reduce carbon generation from the Combined Authority's assets through a programme of projects and initiatives 5. Enable the delivery of Connecting Cities and Transforming Cities Fund projects to our operational estate 6. Enable the Combined Authority to adopt new ways of working by support the Wellington House refurbishment project	To innovate the current service offer and to explore new models of delivering bus and rail services Our Mobility Services Team; 1. Fund, plan and procure socially necessary bus services for the region representing around 15% of the bus network (approx. 20 million passenger journeys a year) 2. Procure transport services for school and college students in line with the policies of the respective Local Authority 3. Deliver a quality, cost-effective and sustainable AccessBus service to people with limited mobility In 2020/21, to improve our service, we will; 4. Increase bus patronage and customer satisfaction through delivery of the West Yorkshire Bus Alliance workplan 5. Identify new models of delivering bus services and respond to changes in the Combined Authority's role in rail emerging from the Williams review 6. Develop and implement an Operating Model for the provision of flexibly routed demand responsive transport services
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Resources <i>(What we need)</i>	Our staff <i>Highlight staff figures to be included.</i>	Our budget <i>Highlight budget figures to be included.</i>	The policies and programmes we help deliver <i>Strategic Transport Plan, Bus Strategy and daughter Information and Digital Payment strategies</i> <i>Transport Fund, Connecting Leeds, Future Mobility Zone, Transforming Cities</i>	Our key interfaces <ul style="list-style-type: none"> Bus and rail operators Local Councils DfT/ Transport for the North Emergency services
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Values	Working Together	Positive About Change	Easy to Do Business With	Working Intelligently	Championing our Region
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How we will improve our service
We will; Launch a new MCard app, pilot innovative demand responsive services, roll out a colour coded bus information system, refurbish Leeds Bus Station and plan similar improvements at Halifax, Huddersfield, Bradford and Dewsbury and implement schemes to reduce carbon generation from our property estate

Working in partnership with the **West Yorkshire Combined Authority**

Leeds City Region Enterprise Partnership

Corporate Priorities



Boosting productivity



Delivering 21st century transport



Enabling inclusive growth



Tackling the climate emergency

Key risks, issues and assumptions

- Changes in bus company ownership and bus legislation*
- Changes in rail franchising and governance*
- Local and national trends in travel and retail behaviour*
- Transport Levy reduction extends into 2020/21*

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Vision
Enabling our customers to deliver – working together to providing support and advice, operating the right systems and processes that form the centrepiece of strong governance and accountability, and taking advantage of technical solutions to improve efficiency.

Services	Finance Delivering a high-quality financial service, provided professional knowledge, advice and expertise. Supporting these Corporate Priorities:	Human Resources Enabling and supporting the organisation to manage and get the best out of its human resource and have the right people in the right place at the right time, through robust HR policies, procedures and arrangements. Supporting and guiding staff and managers in the implementation of those. Supporting these Corporate Priorities:	Procurement Driving value for money, by ensuring quality outcomes that deliver financial and social benefits through procurement activities. Supporting these Corporate Priorities:
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Priorities <i>(What we want to achieve in 2020-21)</i> 176	The team will continue to lead on the budget planning process and production of the statutory annual accounts. It will also provide full financial and management accounting support and financial transactional operations to the whole organisation through our business partnering model. Additional transformational activities include: 1. Reviewing and updating finance policies and processes and user documentation and training 2. Progress the implementation of a new efficient finance, budgeting and HR system 3. Improving financial management information available to the directorates and senior management, including capital and revenue financial performance figures.	The team will continue to implement the HR strategy, seeking to put in place the foundations for robust HR management arrangements. Specifically: 1. Progress the directorate priorities identified by the business partners through business partner planning 2. Devising a pay and reward strategy for the organisation 3. Improve management information available. 4. Deliver improved health and safety processes and policies via the third year of the action plan 5. Further develop the employee wellbeing strategy, including mental health awareness training. 6. Embed new policies on recruitment and performance management and complete the updating of the remaining policies and procedures with an initial focus on improved recruitment and retention 7. Progress work on our learning and development offer.	The team will deliver 50 procurement projects and 15 strategic procurement projects and provide a central contract management support. Additionally: 1. Increase resource resilience / capacity. 2. Embrace new technologies to improve service offer and define future system requirements. 3. Implement Contract management monitoring and reporting mechanisms. 4. Refresh and implement social value through procurement approach including how clean growth and lower carbon emission ambitions will be met. 5. Embed Stakeholder Management 6. Lay foundations for Category Management 7. Lay foundations for Risk Management approaches with particular focus around preparing for and managing the implications of Brexit.
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Corporate Priorities

Resources <i>(What we need)</i>	Our staff Highlight staff figures to be included.	Our budget Highlight budget figures to be included.	Our tools and support The corporate technology programme will deliver tools to improve the effectiveness of both corporate services and of the organisation. Further ICT improvements planned including finance/HR systems	Our key interfaces Corporate services provide support to all teams to deliver, and early sight of the pipeline of work enables us to plan how best to use our resource. We will be continuing to improve systems, policies and processes for the organisation.
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Values	Working Together	Positive About Change	Easy to Do Business With	Working Intelligently	Championing our Region
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How we will improve our service
 We will continue to deliver in line with our customer service principles. We will be looking at how technology can help us to continue improving the services we provide, and assist in adhering to revised processes and policies, aimed at ensuring good governance and transparency. Further resource will help provide improved information, including how to access and use our services and management information to assist all teams in achieving compliance and good decision making.

Key risks, issues and assumptions

Risk: Insufficient resource to deliver for new and emerging priorities including devolution, successful capital bids and bus options

Issue: Requirement for further ICT investment and development to complete modernisation of systems

Assumption: That major organisational restructuring/reshaping is not required during the year

Assumption: That sufficient funding certainty exists for both capital and revenue to enable a meaningful update of the medium term financial strategy



Vision

Services	<h3>ICT Services</h3> <p>Delivering a modern, secure and highly reliable technology service</p> <p>Supporting these Corporate Priorities: </p>	<h3>Legal and Governance</h3> <p>Providing strategic and operational support within a framework of good governance, transparency and compliance.</p> <p>Supporting these Corporate Priorities: </p>	<h3>Internal Audit</h3> <p>Providing assurance and advice on the effectiveness of internal controls, governance and risk management.</p> <p>Supporting these Corporate Priorities: </p>
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Priorities *(What we want to achieve in 2020-21)*

<p>The team will provide an ICT service which encourages innovation and productivity that is delivered on a foundation of security, customer service and business engagement for the complete technology life cycle. Additional transformational activities include:</p> <ol style="list-style-type: none"> 1. Completing delivery of the Corporate Technology Programme (CTP). 2. Harnessing technology to reduce corporate carbon usage and facilitate inclusive growth. 3. Innovating and developing new ways of working via the digitisation of processes using the new technology delivered via CTP. 4. Developing and resourcing a new programme of technology projects in Corporate Services and across directorates. 5. Working partnership with Transport Services to develop a new Real-Time strategy, procure an updated system and support the emerging Transport Technology Programme. 	<p>The team will continue to provide support and legal, compliance and governance advice to all areas of the organisation and members. In addition key priorities will include:</p> <ol style="list-style-type: none"> 1. Driving governance & compliance – with a focus on data protection, compliance with our equality duty, internal governance and decision making and transparency 2. Enabling corporate priorities – bus/rail projects, TCF, CTP, devolution and LEP Review 3. Greater use of technology to increase agility, efficiency and transparency – extending webcasting of meetings, online self service for clients and a new case management system 4. Building trusted business partnerships – developing the business partner model and our training offer 	<p>The team will provide independent assurance, advice and consultation to continue to improve the internal control environment, governance and risk management arrangements. Key priorities include:</p> <ol style="list-style-type: none"> 1. Delivering the annual audit plan, using agile audit techniques to improve the effectiveness of the audit work undertaken. 2. Providing an annual assurance opinion. 3. Providing advice and guidance across a range of internal control matters with particular emphasis on the supporting clean growth corporate priority.
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Corporate Priorities

Resources *(What we need)*

<h3>Our staff</h3> <p><i>Highlight staff figures to be included.</i></p>	<h3>Our budget</h3> <p><i>Highlight budget figures to be included.</i></p>	<h3>Our tools and support</h3> <p><i>The corporate technology programme will deliver tools to improve the effectiveness of both corporate services and of the organisation. Further ICT improvements planned including finance/HR systems</i></p>	<h3>Our key interfaces</h3> <p><i>Corporate services provide support to all teams to deliver, and early sight of the pipeline of work enables us to plan how best to use our resource. We will be continuing to improve systems, policies and processes for the organisation.</i></p>
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Key risks, issues and assumptions

- Risk:** Insufficient resource to deliver for new and emerging priorities including devolution, successful capital bids and bus options
- Issue:** Requirement for further ICT investment and development to complete modernisation of systems
- Assumption:** That major organisational restructuring/reshaping is not required during the year
- Assumption:** That sufficient funding certainty exists for both capital and revenue to enable a meaningful update of the medium term financial strateav

Values

Working Together	Positive About Change	Easy to Do Business With	Working Intelligently	Championing our Region
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How we will improve out service

We will continue to deliver in line with our customer service principles. We will be looking at how technology can help us to continue improving the services we provide, and assist in adhering to revised processes and policies, aimed at ensuring good governance and transparency. Further resource will help provide improved information, including how to access and use our services and management information to assist all teams in achieving compliance and good decision making.

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West Yorkshire Combined Authority - Summary 2020/21 Budget

Expenditure	2020/21							2021/22	2022/23
	Delivery £	Economic Services £	Policy, Strategy & Comms £	Corporate Services £	Corporate £	Transport Services £	Total £	Total £	Total £
Salary & Pay Related Costs	5,029,545	4,006,670	5,896,091	3,687,022	723,984	6,457,779	25,801,092	27,324,791	28,258,950
Indirect Employee Related Costs	450			388,784			389,234	378,585	380,168
Premises Related Costs						6,148,294	6,148,294	6,038,179	6,061,714
Travel, Transport & Subsistence Related Costs	3,500	30,090	20,000	7,500	10,000	65,490	136,580	213,240	205,720
Member Related Costs				152,000	68,000		220,000	220,000	220,000
Office Supplies & Services				86,300		569,703	656,003	657,653	644,468
ICT & Telephony Costs	50,000		62,000	1,381,948		1,138,280	2,632,228	2,480,626	2,506,802
Professional & Consultancy Fees	300,000	1,542,088	246,000	182,100	56,790	350,500	2,677,478	2,706,072	1,776,847
Corporate Subscriptions						1,168	1,168	1,168	1,168
Marketing & PR Costs		501,000	464,500	700		130,200	1,096,400	1,062,100	1,041,600
Insurance				383,900			383,900	383,900	383,900
Operator Payments (Transport)						25,866,000	25,866,000	25,886,000	26,080,000
Pre Paid Ticket Cost						35,800,000	35,800,000	37,600,000	37,600,000
Concessions						55,157,492	55,157,492	55,157,492	55,157,492
Additional Pension Costs					2,198,600		2,198,600	2,208,600	2,244,600
Financing Charges					5,277,000		5,277,000	7,527,000	7,527,000
Grants		1,682,276					1,682,276	2,563,037	2,136,405
Other Miscellaneous Costs	500	3,512,936	111,281	5,200	5,500	200,324	3,835,741	2,593,436	2,455,946
Contribution to External / Related Parties			25,000	23,700	316,017	7,410	372,127	379,357	395,432
Additional Savings Target			(449,989)	(35,000)	(1,000,000)	(400,000)	(1,884,989)	(1,863,127)	(1,863,127)
Contingency					59,185		59,185		
Total Expenditure	5,383,995	11,275,061	6,374,883	6,264,154	7,715,076	131,492,640	168,505,808	173,518,109	173,215,084
Income									
LEP Grant Income		(8,773,552)					(8,773,552)	(8,975,656)	(7,549,529)
BSOG						(2,060,000)	(2,060,000)	(2,060,000)	(2,060,000)
Education Contribution to Transport						(6,768,000)	(6,768,000)	(6,768,000)	(6,768,000)
Bus Station Tenant Income						(1,584,186)	(1,584,186)	(1,584,186)	(1,584,186)
Bus Station / Services - Other Income						(3,218,781)	(3,218,781)	(3,259,641)	(3,277,530)
Admin Recharges			(134,000)			(2,045,451)	(2,179,451)	(2,183,581)	(2,244,937)
Capitalisation of Revenue Costs	(5,492,962)	(1,490,181)	(515,871)	(141,263)	(2,000,000)		(9,640,277)	(8,919,551)	(8,946,555)
Pre Paid Ticket Income						(35,800,000)	(35,800,000)	(37,600,000)	(37,600,000)
Other Income		(410,000)	(238,000)		(107,000)	(1,090,520)	(1,845,520)	(3,954,967)	(3,958,100)
Total Income	(5,492,962)	(10,673,733)	(887,871)	(141,263)	(2,107,000)	(52,566,938)	(71,869,767)	(75,305,582)	(73,988,837)
Net Expenditure	(108,967)	601,328	5,487,012	6,122,891	5,608,076	78,925,702	96,636,042	98,212,527	99,226,246
Funding available									
Rail Income					(878,000)		(878,000)	(439,000)	
LEP General Funding Income					(1,101,042)		(1,101,042)	(1,101,042)	(1,101,042)
Growing Places Fund Interest					(152,000)		(152,000)	(132,000)	(108,000)
Enterprise Zone Receipts					(2,307,000)		(2,307,000)	(2,307,000)	(2,307,000)
Transport Levy					(92,198,000)		(92,198,000)	(92,198,000)	(92,198,000)
Net Expenditure Total							(0)	2,035,485	3,512,206

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Capital Budgets (indicative)

<u>Capital Expenditure</u>	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£
Growing business	12,810,201	14,809,439	0	0	27,619,640
Skilled People and Better Jobs	492,383	667,110	0	0	1,159,493
Clean Energy	4,320,148	741,887	0	0	5,062,035
Housing and Regeneration	2,984,920	16,106,000	0	0	19,090,920
West Yorkshire plus Transport Fund	60,310,000	106,580,000	172,810,000	174,500,000	514,200,000
Economic Resilience	4,647,050	4,181,524	0	0	8,828,574
Enterprise Zone Development	19,351	15,227,505	0	0	15,246,856
Other (Growth Deal)	2,000,000	2,000,000	0	0	4,000,000
Leeds Public Transport Investment Programme	59,839,795	88,233,338	12,000,000	0	160,073,133
Local Transport Capital	16,483,691	13,129,332	12,984,000	13,104,000	55,701,023
Highways Maintenance / Pothole Action	28,403,000	28,403,000	28,403,000	28,403,000	113,612,000
Corporate Projects	5,753,154	5,503,000	206,777	0	11,462,931
Broadband	3,593,998	2,608,437	3,067,328	2,501,000	11,770,763
City Connect	16,509,299	4,924,881	92,500	0	21,526,680
Transforming Cities (small & Core)	5,529,866	106,684,551	175,673,991	120,596,314	408,484,722
Future Mobility Zones	2,562,725	11,867,514	7,428,130	5,423,578	27,281,947
Land Release Fund & One Public Estate	662,125	0	0	0	662,125
Low Emission Vehicles	3,525,000	0	0	0	3,525,000
	230,446,706	421,667,519	412,665,726	344,527,892	1,409,307,843

<u>Capital Funding</u>	2019/20	2020/21	2021/22	2022/23	Total
	£	£	£	£	£
Growth Deal / City Deal	(103,306,596)	(129,527,273)	(48,300,000)	(48,300,000)	(329,433,869)
Leeds Public Transport Investment Programme	(59,839,795)	(88,233,339)	(12,000,000)	0	(160,073,134)
Local Transport Capital	(16,483,691)	(13,129,331)	(13,104,000)	(13,104,000)	(55,821,022)
Highways Maintenance (block / incentive)	(28,403,001)	(28,403,000)	(28,403,000)	(28,403,000)	(113,612,001)
Broadband	(3,593,998)	(2,608,437)	(3,067,328)	(2,501,000)	(11,770,763)
City Connect	(16,509,299)	(4,924,881)	(92,500)	0	(21,526,680)
Transforming Cities	(5,529,866)	(106,684,551)	(175,673,991)	(120,596,314)	(408,484,722)
Future Mobility Zones (DfT)	(2,562,725)	(11,867,514)	(7,428,130)	(5,423,578)	(27,281,947)
Land Release Fund & One Public Estate	(662,125)	0	0	0	(662,125)
Low Emission Vehicles (DfT)	(3,525,000)	0	0	0	(3,525,000)
Total Capital Funding	(240,416,095)	(385,378,326)	(288,068,949)	(218,327,892)	(1,132,191,263)

Annual (surplus) / deficit	(9,969,390)	36,289,192	124,596,777	126,200,000	277,116,580
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Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 16 January 2020

Subject: **Corporate Performance Report**

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.

Budget Monitoring 2019/20

- 2.2 A summary of the 2019/20 current spend to budget as at November 2019 is attached at **Appendix 1**. A RAG rating has been included to identify budgets that need further review. There are no 'red' areas of concern to report, reflecting the close monitoring that takes place on an ongoing basis. It should be noted that the challenges in setting a balanced budget for the year meant there is limited resource capacity for responding to any new or emerging demands and this is likely to continue into next year.
- 2.3 The approved annual budget included a £1.2 million deficit to be funded from general reserves. Following a forecast exercise undertaken in October 2019 the year end position is a £1.3 million surplus and this improved position results in money going into the general reserve rather than being taken out.
- 2.4 The general reserves are therefore forecast to be approximately £7m as at the end of the financial year. At this stage the proposal is to retain general reserves at this level to help manage emerging pressures including Brexit, work on bus options following the announcement of the proposed sale of First Group's bus operations and 'cliff edge' funding for a range of projects.

- 2.5 A more detailed report on budget planning for 2020/21 and beyond is included as a separate item on today's agenda.

2019/20 Corporate Plan and LEP Annual Delivery Plan

- 2.6 In line with the requirements of the Strengthened Local Enterprise Partnerships agenda, the first LEP Annual Delivery Plan was published in May 2019. This Delivery Plan sets out the detailed proposals and targets for the LEP in 2019/20 financial year.
- 2.7 The LEP Annual Delivery Plan has been designed as a standalone document, but also forms an integral part of the organisation's overarching Corporate Plan, which sets out the priorities for the Combined Authority and the LEP as a whole. The wider Corporate Plan is structured around four overarching corporate priorities of Boosting productivity, delivering 21st Century transport, enabling inclusive growth and supporting clean growth.
- 2.8 In order to measure the organisation's specific contribution to meeting these four corporate objectives, a set of key performance indicators have been developed and are routinely monitored. A summary of progress against these indicators for the year to date is provided in **Appendix 2** as part of the wider corporate performance snapshot.
- 2.9 The analysis of performance against objectives to date reflects a positive position overall. The majority of the indicators are assessed as green, indicating objectives supporting the strategic aims and themes for the region are on track to being achieved.

Corporate risk update

- 2.10 In line with the provisions of the Corporate Risk Management Strategy, regular review of the key strategic risks affecting the organisation continues to be undertaken and the corporate risk register updated accordingly. A summary of the headline strategic risks currently contained within the corporate risk register is provided at **Appendix 2**.
- 2.11 The updates to the Corporate Risk Register since the last reporting period are as follows:
- Risk SP4 has been superseded by risk SP5 to more accurately capture the range and scale of risks faced with regards to the UK's future relationship with the European Union. Substantial mitigation coordinated by the organisation's Brexit working group has been introduced, however the risk remains 'Very High' due to the level and range of uncertainty, a proportion of which falls outside of the Combined Authority's control.
 - In light of the declaration of a Climate Emergency and a commitment to becoming a net zero carbon economy by 2038, a new risk E1 has been escalated to be included into the corporate register. This reflects the inherent risk that if insufficient resource is directed toward this priority,

clean growth targets will not be achieved, and subsequent benefits not achieved. Similarly, significant mitigating action is being introduced to address these risks, directed by the newly introduced Clean Growth policy and action plan.

- Risk SP2 (which relates to the potential implications of the national terrorism threat being raised) has been recommended to be reduced to 'Medium' due to protocols and controls which have been established within service delivery areas, in line with business continuity developments.
- Following recommendations by the Regulatory and Compliance Board and the Head of ICT Services, Senior Leadership Team have agreed a new risk SS2 to be included in the corporate register. The risk relates to the threat of a cyber security breach. Due to the size of organisation and the scale of data the Combined Authority processes, corporate oversight of this risk is appropriate as all staff and teams are implicated in its management. Existing controls are in place to significantly reduce the likelihood of this risk, with further controls being implemented through the Corporate Technology Programme.

- 2.12 A refresh of the Corporate Risk Strategy is currently in the final stages of consultation and approval, and it is anticipated this will be presented to the Governance and Audit Committee seeking approval on 23 January 2020. The strategy builds on existing provisions to ensure risk management arrangements continue to meet the developing needs of both the Combined Authority and the LEP and the latest draft is available [here](#).

Audit

- 2.13 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 only one audit assignment specifically on LEP activities has been completed for 2019/20 and this is a review of the business grants. This was a requested advisory review to help strengthen fraud controls, raise fraud awareness and help to build consistency across the various funding streams. In addition, reports on wider corporate health – including corporate governance, GDPR and gifts and hospitality - have been undertaken and received either reasonable or substantial assurance. The next meeting of the Governance and Audit Committee will begin to plan the internal audit programme for 2020/21.

Overview and Scrutiny Committee

- 2.14 At its last meeting the Overview and Scrutiny Committee considered the work underway through the Future-Ready Skills Commission, its progress to date, and emerging themes as well as considering the delivery of skills programmes by the Combined Authority, with particular focus on schools engagement and apprenticeships. It also noted the work underway by a separate task and finish group that is considering the success of the business grants programme.

3. Clean Growth Implications

3.1 The need to meet clean growth objectives is recognised in the risk register.

4. Financial Implications

4.1 As set out in the report.

5. Legal Implications

5.1 None arising directly from this report.

6. Staffing Implications

6.1 None arising directly from this report.

7. External Consultees

7.1 None.

8. Recommendations

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

9. Background Documents

9.1 None.

10. Appendices

Appendix 1 – 2019/20 revenue spend against budget
Appendix 2 – 2019/20 Corporate performance update

West Yorkshire Combined Authority - Summary

	(A)	(C)	(66%)			Forecast 2019/20 £
Title	2019/20 Budget £	November YTD Actual £	% spent/received v. Full Year Budget	Commentary	RAG	
Expenditure						
Salary & Pay Related Costs	23,574,623	13,995,640	59%	Higher vacancies than originally budgeted		20,743,106
Indirect Employee Related Costs	385,450	359,172	93%	To be reviewed		376,255
Premises Related Costs	6,240,146	4,586,134	73%			6,776,016
Travel, Transport & Subsistence Related Costs	121,662	103,821	85%	Spend is higher than budget.....potential small overspend		149,679
Member Related Costs	152,000	90,099	59%			152,000
Office Supplies & Services	513,750	470,303	92%	Typically spend profile not even during year- but potentially overspending		646,303
ICT & Telephony Costs	2,614,132	2,648,785	101%	Some ICT / telephony costs paid in advance (eg line rentals)		2,659,937
Professional & Consultancy Fees	2,733,570	2,589,007	95%	Spend is higher than budget.....potential overspend		3,481,442
Corporate Subscriptions	0	0	-			0
Marketing & PR Costs	2,079,896	1,227,680	59%			2,528,402
Insurance	304,900	300,220	98%	Annual invoice paid - above approved budget		382,900
	0	0	-			0
Operator Payments (Transport)	25,601,325	17,834,962	70%	Savings target from Qtr4 - revised budget profile needed		25,556,000
Pre Paid Ticket Cost	34,125,000	21,661,432	63%	Matched by income		34,125,000
Concessions	56,446,802	36,721,090	65%	Broadly in line with expected spend profile		55,657,492
Additional Pension Costs	2,301,600	1,911,960	83%	Variance is because £1.3m paid annually then monthly costs thereafter		2,213,100
Financing Charges	5,465,000	598,254	11%	Main costs calculated / accrued at year end (eg MRP)		4,754,000
	0	0	-			0
Grants	2,648,708	1,189,084	45%	Low spend as held in 'projects' until year end when moved to revenue - will balance to income		2,427,542
Other Miscellaneous Costs	4,305,783	589,863	14%	Project budgets (not yet categorised) - Spend profile to be reviewed with budget holders		2,414,358
	0	0	-			0
Contribution to External / Related Parties	325,912	133,821	41%			383,199
	0	0	-			0
Additional Savings Target	(1,046,619)	0	0%	Vacancy target to offset against savings in pay budget.		0
Contingency	0	0	-			250,000
Total Expenditure	168,893,640	107,011,329	63%			165,676,730
Income						
Rail Admin Grant	(878,000)	(878,000)	100%	Received in arrears - forecast is £878k due to agreed reduction		(878,000)
LEP General Funding Income	(1,234,000)	(500,000)	41%	LEP contribs from BRP received in March - new budget profile needed		(1,234,000)
LEP Grant Income	(10,695,903)	(5,588,013)	52%			(8,011,365)
Growing Places Fund Interest	(300,000)	(457,985)	153%	More interest received than originally budgeted		(500,000)
Enterprise Zone Receipts	(1,958,320)	(998,828)	51%	Phasing of receipts		(2,307,000)
Transport Levy	(93,198,000)	(74,558,400)	80%			(93,198,000)
Bus Service Operator Grant (BSOG)	(2,063,592)	(2,063,592)	100%	All received in May (£2.1m)		(2,060,000)
Education Contribution to Transport	(6,768,000)	(2,623,355)	39%	In arrears - need review with budget holders (Transport)		(6,708,000)
Bus Station Tenant Income	(1,583,085)	(772,708)	49%	Higher than expected - need to review profile with budget holder.		(1,592,705)
Bus Station / Services - Other Income	(2,881,917)	(1,031,044)	36%	Lower than expected - need to review profile with budget holder.		(3,209,657)
Admin Recharges	(2,304,536)	(1,223,501)	53%	Includes accruals in the actual		(2,453,914)
Capitalisation of Revenue Costs	(7,794,742)	(5,894,734)	76%	Includes accruals in the actual		(7,150,107)
Pre Paid Ticket Income	(34,125,000)	(21,661,432)	63%	Matches expenditure		(34,125,000)
Other Income	(1,909,896)	(816,710)	43%	Some income in 'projects' until year end - will match expenditure.		(2,579,420)
Total Income	(167,694,991)	(119,068,303)	71%			(166,007,168)
Net Expenditure	1,198,649	(12,056,974)				(330,437)

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Corporate Risk


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

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Current 'Very High' risks:

		Probability	Impact	Mitigation summary	Movement since last report
Very High x4	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	No Change
	Inherent Brexit uncertainty presents a number of potential challenges to the region and the services the CA provides (SP5)	Possible	Highly Significant	Working group established to coordinate effective response	Supersedes risk SP4

Current 'High' risks:

		Probability	Impact	Mitigation summary	Movement since last report
	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 secure sufficient and continued funding for key services (F2)	Possible	Major Disruption	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	No Change
	Risk of legal challenge as a result of not being compliant with HR, Financial, procurement and Governance Legislation (RL1)	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	Superseded
	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
	Impact of significant change to 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 (SD5)	Possible	Major Disruption	Regular meetings with delivery partner. Evidence based payment system in place.	No Change
	Failure to successfully communicate the outputs and contribution of the CA and LEP to the Leeds City Region (CS1)	Possible	Moderate	Continued development of communications strategy and effective performance measures	No Change
	Risk of both inhibiting impact of clean growth agenda on other priorities, or failure to meet climate emergency commitments (E1)	Possible	Moderate	Programme of work agreed supporting new Clean Growth policy	NEW
Risk that the CA falls victim to a cyber security breach (SS2)	Unlikely	Major Disruption	ICT and IG protocols, to be further developed through corporate technology programme	NEW	

			RED AMBER GREEN	significantly off track and at risk of not being achieved at risk of not being fully achieved, intervention measures in place considered to be completed/on track to be complete/achievable
West Yorkshire Combined Authority Corporate Plan 2019/20: Results for Apr - Oct 2019				
Corporate Plan Commitment (We will)	Target	Apr - Oct 2019 results and RAG status		Notes
Corporate Plan Key Performance Indicators				
Invest in services and projects worth £398 million to benefit local people and the economy	£398,000,000	£118.8m		
Support 3,000+ businesses	3000+	1920		Two programmes in delivery focussed on business resilience and investment readiness, with three others in development focussed on resource efficiency, innovation and strategic business planning.
Invest £105 million of Growth Deal funding in major infrastructure schemes	£105,000,000	£4.38m (Q1 only)		This figure is reported quarterly only and represents Q1. The figure is low for Q1 as expected and rated as GREEN as target is still on track to be achieved. Q2 not yet submitted or processed.
Enable 20 million passenger journeys per year	20,000,000			Awaiting detailed figures
Support 18,000 disadvantaged students	18,000	10,197		Activities have been recorded for PP students for September however, with the reporting period being directly after the summer holidays, these activities wont result in double encounters until next month.
Complete projects to warm 750 homes and make them more energy efficient	750	414		Projects are progressing well, with the majority of properties improved funded through Warm Homes or Energy Company Obligation.
Boosting productivity				
Support businesses in the City Region through the Brexit process and help them to manage the opportunities and challenges it may present	Ongoing throughout 2019/20			Action plan in place and some new/adapted products and services have been developed, including the recruitment of additional Growth Managers to engage with SME business base.
Support 3,025 businesses in our region to grow and become more productive (with 1,035 receiving intensive support)	3025 (1,035)	1920 (820)		1920 businesses and 820 of these are receiving intensive support.
Develop 5 new business support programmes to respond to the changing economy and business needs, including a scheme to support 60 firms to secure new investment	5	2		Two programmes in delivery focussed on business resilience and investment readiness, with three others in development focussed on resource efficiency, innovation and strategic business planning.
Help 350 businesses to increase their overseas export activity	350	130		Increased priority in response to Brexit opportunities.
Maximise the opportunities created by Channel 4's HQ relocation by securing additional investment in the creative and digital sectors	Ongoing throughout 2019/20			#Grow, created to support digital businesses with an existing presence in the Leeds City Region who are growing and creating new jobs, was launched at Halifax Digital Festival in September. This compliments the existing #Welcome, which supports digital businesses moving into the City Region.
Attract global investors to the region creating 1,700 jobs	1,700	610		
Continue to deliver development projects for our Enterprise Zones	Ongoing throughout 2019/20	Ongoing		Progress on key development sites. Funding Agreement has been completed with the developer who is mobilising to start of site October 2019 and the Outline Business Cases for South Kirkby and Clifton were approved at Combined Authority 10.10.19
Enabling inclusive growth				
Embed inclusive growth principles in our business support programmes, including ensuring 75 per cent of jobs created in businesses receiving grants through our capital grants programme pay the Real Living Wage or above	75%	76%		
Develop an Inclusive Growth Strategic Framework for the City Region	By the end of 2019/20	Completed		Bid management framework now being used effectively
Deliver an enhanced model of employability, enterprise and careers education to disadvantaged young people	18,000	10197		Activities have been recorded for PP students for September however with the reporting period being directly after the summer holidays, these activities wont result in double encounters until next month.
Enable 1,000 businesses to engage with education and skills initiatives, with 800 supported to offer apprenticeships	1,000	627 (338)		Employment Hubs are now operational, which should provide more consistency in Business engagement going forward. Delivering to profile for Discover Digital and Enterprise Advisers. Demand for the ACE grant remains low despite eligibility criteria being changed. National funding of apprenticeship starts with non-levy companies is providing difficulties with some providers reporting that they will have to turn away apprentices and their businesses which could result in reduced engagement figures. The LEP are considering opportunities utilising Levy transfer to address this. While we are currently on track to achieve this KPI based on current business engagement, we are rating this KPI as amber due to significant flux in the apprenticeship landscape.
Connect 5,277 homes and businesses in our City Region to super-fast broadband	5,277	4266		
Provide accessible transport services for 5,000 people with personalised transport needs	5000 active passengers	4855 active passengers		Following completion of dedicated vehicle refurbishment, there will be a campaign to raise awareness of the services provided and encourage more users with mobility issues or personalised transport needs, to access support transport services
Enable 40,000 young people to travel from home to school by coordinating services on behalf of our partner councils, with an investment of £3 million a year	40,000	On track		To be reported from October 2019 after the start of the new academic year. Early indications show we are on track to achieve the targeted number of pupils and young people
Delivering 21st Century transport				
Invest £60 million from our Growth Deal in improvements to bus, road and rail travel	£60,000,000	£2.44m (Q1 only)		This figure is reported quarterly only and represents Q1. The figure is low for Q1 as expected and rated as GREEN as target is still on track to be achieved. Q2 not yet submitted or processed.
Continue developing the bus alliance with operators to deliver better and affordable services for passengers	100%	100%		Bus Alliance signed off by Transport Committee on 5th July. Next step before next quarter is for legal agreement to be signed.
Develop plans to build new railway stations at Eiland, Leeds Bradford Airport, White Rose and Thorpe Park, working closely with our partners and local communities	100%	Ongoing		The Outline Business Case for Eiland has been approved on 29th March 2019. Work to progress the Full Business Case and technical design is underway. The Outline Business Case for White Rose has been recommended for approval at Investment Committee on 7th November and Combined Authority approval in February 2020. Currently working up OBC for LBA for Investment Committee and Combined Authority approval in February 2020. There have been continued delays with the Outline Business Case for Thorpe Park due to Trans-penine Route Upgrades.
Complete major new road schemes to reduce congestion on key commuter routes, including the Glasshoughton Southern Link Road and York Outer Ring Road	100%	Ongoing		Work on these schemes currently in progress. Glasshoughton Southern Link Road is in delivery, Phase 1 of the York Outer Ring Road has completed. The East Leeds Orbital Road is expected to start on site this year.
Continue to influence regional and national transport investment programmes, attracting more investment to our region	Ongoing throughout 2019/20			Ambitious bids submitted to the Transforming Cities Fund and on Future Mobility
Continue to develop our transport services by increasing digital payment options and information displays, to make services easier and more convenient for people to use	Ongoing throughout 2019/20	Ongoing		Delivery of Digital Strategy commenced with development of the MCard QR code ticketing app. User testing is scheduled for February 2020, with the launch of Phase 1 shortly after. When delivered, customers will be able to purchase MCard tickets via their smartphone and no longer require a plastic smartcard. 490 Real time screens are now installed in the Leeds district as part of the Leeds Public Transport Investment Programme (LPTIP). The Bus Information Strategy was approved by Transport Committee in November and a programme of improvements and changes is now in development.
Increase sales of MCard by 5 per cent, resulting in over £34 million worth of MCards being purchased over the year	£34,000,000	£18.2m		YTD MCard sales (off bus) are £18.2m. Whilst still slightly behind last year, sales are improving and have been higher than 2018/19 for the last few months, however, a marketing campaign is being delivered in December to promote the use of MCard over the festive period and a price change is being introduced in January
Supporting clean growth				
Enable 750 households to be warmer, save money and become more energy efficient through our Better Homes Yorkshire programme	750	414		Projects are progressing well, with the majority of properties improved funded through Warm Homes or Energy Company Obligation.
Continue the delivery of seven flood prevention schemes to reduce the risk of flooding and protect communities and businesses supported by our Growth Deal	7	6		6 schemes are either in delivery or have completed. 3 further schemes are in development and will move into delivery in 2021, subject to business cases approval.
Provide sustainable travel advice to businesses, recruiting an additional 96 employer members to our Travel Plan Network	96	39		TPN team has had some challenges but is currently being strengthened and will recover the profile.
Support a further 88 businesses to save money on their energy bills and use less water and waste through resource efficiency funding and advice	88	65		
Contribute to cleaner air by installing 88 ultra-low emission vehicle (ULEV) charging points for taxis with a goal of making 5.1 per cent of our region's taxis ULEV by 2020	88 ULEV charging points for taxis and making 5.1 per cent of our region's taxis ULEV by 2020	11 installations		11 charging points have been installed to date. The programme is still on track to deliver an average of 5 installations per week, except for over the Christmas period.
Set out how we will work with our partners to achieve ambitious carbon reduction targets for the Leeds City Region, to become a net zero carbon city region by 2038 at the latest, with significant progress by 2030	Ongoing throughout 2019/20			Science-based targets established in Q1, followed by extensive stakeholder engagement culminating in a series of industry workshops, the creation of the Climate Coalition and the setting of the target in early-July. Development of a corporate policy and action plan were progressed during Q2, with a view to being endorsed by the CA in October.
Begin detailed feasibility work on 10 projects within the new Energy Strategy and Delivery Plan that will enable us to meet our region's energy needs and generate clean, low carbon energy	10	-		REF2 application submitted & Clean Growth audit commissioned

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