

WEST YORKSHIRE COMBINED AUTHORITY

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 10 DECEMBER
2020**

**DUE TO COVID-19, THIS MEETING WILL BE HELD REMOTELY AND
WILL BE LIVESTREAMED HERE:**

<https://www.youtube.com/channel/UCazjNSGpqZZT41Vibn2ZK9A/live>
(COPY AND PASTE THE LINK IN YOUR BROWSER)

A G E N D A

Please note that this meeting will be filmed for live or subsequent broadcast via the Combined Authority's internet site. If you have any queries regarding this, please contact Governance Services on 0113 251 7220.

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXCLUSION OF THE PRESS AND PUBLIC**
- 4. MINUTES OF THE MEETING OF THE COMBINED AUTHORITY
HELD ON 27 NOVEMBER 2020**
(Pages 1 - 6)
- 5. COVID-19 UPDATE**
(Lead Member: Cllr S Hinchcliffe, Director: Brian Archer)
(Pages 7 - 14)

For Decision

- 6. CAPITAL SPENDING & PROJECT APPROVALS**
(Lead Member: Cllr D Jeffery, Director: Melanie Corcoran)
(Pages 15 - 44)
- 7. EU EXIT: END OF TRANSITION PERIOD**
(Lead Member: Cllr S Hinchcliffe, Director: Alan Reiss)
(Pages 45 - 50)

- 8. SPATIAL PRIORITY AREAS (SPAS) REFRESH**
(Lead Member: Cllr T Swift, Director: Alan Reiss)
(Pages 51 - 62)
- 9. WEST YORKSHIRE CONNECTIVITY INFRASTRUCTURE PLAN:
INVESTING IN THE FUTURE OF WEST YORKSHIRE**
(Lead Member: Cllr K Groves, Director: Alan Reiss)
(Pages 63 - 70)
- 10. COMPREHENSIVE SPENDING REVIEW**
(Lead Member: Cllr S Hinchcliffe, Director: Alan Reiss)
(Pages 71 - 80)
- 11. DRAFT BUSINESS PLAN AND BUDGET 2021/22**
(Lead Member: Cllr S Hinchcliffe, Director: Angela Taylor)
(Pages 81 - 94)
- 12. ASSURANCE FRAMEWORK REVIEW**
(Lead Member: Cllr D Jeffery, Director: Melanie Corcoran)
(Pages 95 - 176)
- 13. TACKLING THE CLIMATE EMERGENCY - CARBON IMPACT
ASSESSMENT**
(Lead Member: Cllr S Hinchcliffe, Director: Alan Reiss)
(Pages 177 - 180)
- 14. GOVERNANCE ARRANGEMENTS**
(Lead Member: Cllr S Hinchcliffe, Director: Angela Taylor)
(Pages 181 - 190)

For Information

- 15. MINUTES FOR INFORMATION**
(Pages 191 - 192)

Signed:



**Managing Director
West Yorkshire Combined Authority**



MINUTES OF THE MEETING OF THE WEST YORKSHIRE COMBINED AUTHORITY HELD REMOTELY ON FRIDAY, 27 NOVEMBER 2020

Present:

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| Councillor Susan Hinchcliffe (Chair) | Bradford Council |
| Councillor Tim Swift MBE (Deputy Chair) | Calderdale Council |
| Councillor Andy D'Agorne (Substitute) | York Council |
| Councillor Judith Blake CBE | Leeds City Council |
| Councillor Stewart Golton | Leeds City Council |
| Councillor Jack Hemingway (Substitute) | Wakefield Council |
| Councillor Steven Leigh MBE | Calderdale Council |
| Roger Marsh OBE DL | Leeds City Region Local Enterprise Partnership |
| Councillor Shabir Pandor | Kirklees Council |
| Councillor Rebecca Poulsen | Bradford Council |

In attendance:

| | |
|--------------------------|--------------------------------------|
| Councillor Kim Groves | Chair, Transport Committee |
| Councillor Peter Harrand | Chair, Overview & Scrutiny Committee |
| Ben Still | West Yorkshire Combined Authority |
| Caroline Allen | West Yorkshire Combined Authority |
| Brian Archer | West Yorkshire Combined Authority |
| Melanie Corcoran | West Yorkshire Combined Authority |
| Alan Reiss | West Yorkshire Combined Authority |
| Angela Taylor | West Yorkshire Combined Authority |
| Ruth Chaplin | West Yorkshire Combined Authority |

55. Apologies for Absence

Apologies for absence were received from Councillors Keith Aspden and Denise Jeffery.

56. Declarations of Disclosable Pecuniary Interests

Councillor Susan Hinchcliffe declared a non-pecuniary interest in Agenda Item 5, Devolution Implementation as she was a shortlisted Labour nominee for the role of West Yorkshire Mayor.

Councillor Stuart Golton declared a non-pecuniary interest in Agenda Item 5, Devolution Implementation as he was the Liberal Democrat candidate for the role of West Yorkshire Mayor.

Councillor Kim Groves declared an other interest in Agenda Item 6, Adult Education Budget Governance as she is a Director of Inspiring Positive Futures.

57. Exclusion of the Press and Public

There were no items that required the exclusion of the press and public.

58. Minutes of the Meeting of the Combined Authority held on 10 November 2020

Resolved: That the minutes of the meeting of the West Yorkshire Combined Authority held on 10 November 2020 be approved.

59. Devolution Implementation

The Combined Authority considered a report of the Director, Policy, Strategy and Communications on devolution implementation.

Members considered and consented in principle to the draft Order to establish a mayoral combined authority and associated changes, a copy of which was attached at Appendix 2 to the submitted report. It was noted that the draft Order had also been considered by the Executive Committee and full Council of each Local Authority and, as part of the parliamentary process, would be considered by Parliament's Joint Committee on Statutory Instruments (JCSI). It was acknowledged that the JCSI process may lead to technical amendments being made to the Order which will be non-negotiable.

It was noted that the functions relating to the Spatial Development Strategy (SDS) and Strategic Infrastructure Tariff (SIT) had been part of the 'minded to' devolution deal and the Scheme. However Government have decided to remove these from the draft Order due to the ongoing national planning reforms currently underway. A letter from the Minister for Regional Growth and Local Government explaining the changes was attached at Appendix 3.

Consent to the final draft of the Order is required following consideration by JCSI. In order to facilitate this it was agreed that authority be delegated to the Combined Authority's Managing Director in consultation with the Leader and Chief Executive of each Constituent Council and the Chair of the Combined Authority, to finalise and consent to the final draft of the Order further to any technical issues which may arise.

It is intended that the Order will be laid in Parliament in early December 2020 with the devolution deal set to become law in January/February 2021. It was agreed that the decision is exempt from call-in on the grounds of urgency as any delay caused by the call-in process would prejudice the Combined Authority's and Constituent Councils' interests and delay the

consent to the draft Order. This would have a significant detrimental impact on the proposed timeline which was set out in Appendix 1 to the submitted report. Members discussed the importance of ensuring the MCA had robust scrutiny arrangements and resource and this would be reflected in the budget plans and draft budget which was to be considered at the next meeting.

The Authority unanimously agreed the recommendations and welcomed the significant step taken towards establishing a mayoral combined authority and the benefits it will bring to West Yorkshire. It was acknowledged that it had taken several years to reach this point and Members thanked officers of the Combined Authority and the District Councils who had been involved in securing the deal for their work and support.

Resolved:

- (a) That the content of the report and draft Order attached at Appendix 2 be noted.
- (b) That consent be given in principle to the draft Order attached at Appendix 2, to establish a mayoral combined authority and associated changes as set out in the 'minded to' Devolution Deal.
- (c) That authority be delegated to the Managing Director of the Combined Authority, in consultation with the Leader and Chief Executive of each Constituent Council and the Chair of the Combined Authority, to finalise and consent to the final draft of the Order further to any technical issues which may arise.
- (d) That the updated timetable set out in Appendix 1 to this report and the next steps which are subject to the consent being given by the Constituent Councils and Combined Authority, to the Order that the Secretary of State will lay the Order in Parliament in December 2020 be noted.
- (e) That this decision is exempt from call-in on the grounds of urgency, for the reasons set out in paragraph 6.1 of the submitted report.

60. Adult Education Budget Governance

The Combined Authority considered a report of the Director of Economic Services on the proposed governance arrangements for the devolved Adult Education Budget (AEB) programme.

Members discussed and supported the proposed formal decision making arrangements for AEB which were outlined in the submitted report. It was considered that the AEB governance should be strategically led by the Combined Authority, with advisory support by the Employment and Skills Panel (ESP) and operational decision making to be carried out at officer level under the Combined Authority's Officer Delegation Scheme. It was considered that approving and varying the AEB Strategy was a function

specifically reserved to the Combined Authority and therefore it was agreed that any amendments to the AEB Strategy be defined as a Key Decision, under the Combined Authority's Access to Information Annex. In this respect it was agreed that authority be delegated to the Head of Legal and Governance Services to amend the definition of a key decision in the Combined Authority's Access to Information Annex to include the approval or variation of the AEB Strategy, and amend the Officer Delegation Scheme to clarify that approving or varying the AEB Strategy is not delegated to any officer under the Scheme. The proposed level at which decisions will be taken was attached at Appendix 1 to the submitted report.

It was acknowledged that the success of AEB delivery will require stakeholder and local authority engagement to advise on where the local need and gaps are that can be addressed through the funding. It was noted that all conflicts of interest will be addressed in line with the Combined Authority's AEB Conflicts of Interest Policy for adult education provision and a draft was attached at Appendix 2.

Resolved:

- (a) That the AEB governance arrangements as set out in the submitted report and appendices be approved.
- (b) That authority be delegated to the Head of Legal and Governance Services to amend the definition of a key decision in the Combined Authority's Access to Information Annex to include the approval or variation of the AEB Strategy, and amend the Officer Delegation Scheme to clarify that approving or varying the AEB Strategy is not delegated to any officer under the Scheme.

61. Initial Funding Priorities for Economic Recovery

The Combined Authority considered a report of the Director, Policy, Strategy and Communications on initial funding priorities for economic recovery.

Members discussed the impact COVID-19 has had on businesses and employment and the gaps in provision, particularly to support people to gain and stay in work as a result of the increasing levels of unemployment.

It was noted that the creation of the Single Investment Fund (SIF) will give the MCA greater ability to prioritise investments. However, whilst noting the good progress being made in the design of the SIF, it was recognised that action is required immediately to support people and businesses to recover.

The Authority discussed and agreed the proposal to fund the following two partnership programmes from the Economic Recovery Plan, which are also in line with the priorities for the SIF:

- [Re]boot – to support people unemployed or at risk of redundancy to retrain.
- Employment Hubs – to facilitate access to advice and support across West Yorkshire

Details of the funding, which would be from the gainshare part of the SIF, were outlined in the submitted report. It was noted that this would be subject to the MCA Order being approved and the funding, including gainshare, being made available. It was agreed that approval of the required existing project change requests be delegated to the Investment Committee and these would be assessed in line with the Combined Authority's assurance process.

Members discussed the need to consider further proposals to support economic recovery and a report will be brought to a future meeting.

It was noted that it has not been possible to provide the statutory 28 days' notice of this key decision being considered due to the need to approve immediate recovery programmes to support people to gain and stay in work and help newly unemployed retrain as they are priority actions resulting from the West Yorkshire Economic Recovery Plan. However, in accordance with the Combined Authority's Access to Information Annex to Procedure Standing Orders (part 1 section 7C – General Exception), the Chair of the Overview and Scrutiny Committee had been notified and notification has been published on the Authority's website. Accordingly, as set out in the rules of General Exception, the Combined Authority may still make the decision.

Resolved:

- (a) That the Combined Authority indicatively approves £13.5m gainshare for COVID recovery, for the extension of the existing [Re]boot and the Employment Hub projects, with full approval to spend being granted once the project change requests have progressed through the assurance process in line with the Combined Authority's Assurance Process.
- (b) That approval of the required existing project change requests be delegated to the Investment Committee and be assessed in line with the Combined Authority's assurance process.
- (c) That the progress made in the design of the Single Investment Fund (SIF) as the transition to a Mayoral Combined Authority (MCA) takes place be noted.

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Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: **COVID-19 Update**

Director: Brian Archer, Director of Economic Services

Author: Ian Smyth, Head of Economic Policy

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

1. Purpose of this report

- 1.1 To provide an update to the Combined Authority about the organisation's work on supporting the region to respond to COVID-19.
- 1.2 To present the Combined Authority with current progress on the delivery and development of products and services in response to the COVID-19 crisis through the implementation of the West Yorkshire Economic Recovery Plan.
- 1.3 Due to the constantly evolving situation, a verbal update will be given at the meeting.

2. Information

Local Alert Levels and National Lockdown

- 2.1 Following the period of national restrictions during November, a new system of tiered local restrictions were introduced in England on 2 December, with West Yorkshire being placed in Tier 3 (Very High). Features of the system include:
 - Initial allocation into tiers have been defined by Government on a sub-regional basis, but it is possible that individual local authorities could move into different tiers at review points, which must be carried out at least every 14 days. The first review must be carried out by 16 December.

- The regulations will expire at the end of 2 February 2021. In the meantime there will be a review of need for the restrictions at least every 28 days, with the first review carried out by 30 December.
- Government will publish information on how places can move tiers.
- Tier 3 restricts people from meeting socially indoors and in most out places with anybody they do not live with. Where outdoor socialising is allowed, it must usually be in a group of six or less. There is a specific exception to allow up to three households to gather over the Christmas period, between 23 and 27 December.
- It also places restrictions on hospitality, accommodation, and indoor entertainment and tourist venues, requiring them to close in most circumstances. Holiday accommodation can open between 22 and 28 December, to facilitate Christmas gatherings.
- Details on the tiers, restrictions (including exemptions to the overall restrictions summarised above) and additional guidance (particularly around travel), have been published here:
<https://www.gov.uk/guidance/local-restriction-tiers-what-you-need-to-know>

2.2 At the time of writing, no additional packages of business support have been announced to support areas that are in the Very High tier. On this basis, the following remain available:

- Extension of the Job Retention Scheme, with Government contributing 80% of salary.
- Self-employed income support scheme – with Government contributing up to 80%
- Businesses required to close will be eligible for grants up to £3,000 a month based on rateable value through the Local Restrictions Support Grant (Closed) scheme
- Severely impacted but not closed businesses in hospitality, hotel, bed & breakfast and leisure will be eligible for grants up to £2,100 a month based on rateable value through the Local Restrictions Support Grant (Open) scheme

2.3 Local Authorities in West Yorkshire will also continue to administer the Additional Restrictions Grant scheme provided during the national lockdown and backdated payments through the Local Restrictions Support Grant programmes (see 2.16 for an update on progress).

2.4 A verbal update will be provided at the meeting on the above and any further information provided on support.

2.5 In addition, Councils will receive a £8 per head to support local health measures including test and trace, worth c.£18.5 million. This includes the £3 per head previously committed.

Economic Recovery

- 2.6 As has been reported previously, the longer-term planning for economic recovery for West Yorkshire is being overseen by a West Yorkshire Economic Recovery Board¹, which is a working group of the Combined Authority and brings together the five West Yorkshire Leaders and LEP Chair with partners from the private sector, trade unions, public bodies and the third sector, to develop robust plans for the region's economic recovery and to help build an inclusive and sustainable economy for the future. An initial plan was endorsed by the Combined Authority in September, underpinned by modelling commissioned from Experian which sets out the evidence base and sensitivity assessment of the potential economic trajectories for growth based on a series of economic scenarios². Work on the plan continues, to ensure that it responds to key challenges and opportunities, including on the development of a culture proposition.
- 2.7 Revised economic forecasts were published by the Office for Budget Responsibility on 25 November, to accompany the Government's Spending Review. Their central scenario now sees unemployment (ILO measure) peak at 7.5% in Q2 2021, which is consistent with the first scenario considered in the West Yorkshire Economic Recovery Plan, albeit the timing is roughly six months later reflecting the employment support that has been deployed by Government. The OBR's downside scenario sees unemployment peaking at 11% over next winter (2021/22), which is 3.7 percentage points lower than the most adverse scenario considered in the Economic Recovery Plan. It should be noted that the OBR's downside scenario assumes an effective vaccine does not become widely available in 2021.
- 2.8 While the Spending Review made some national commitments linked to economic recovery, it did not commit further financial support to deliver locally led economic recovery plans, such as the one developed in West Yorkshire (see item 10 of the agenda). At this time therefore, it is not possible to move forward with all elements of the West Yorkshire Economic Recovery Plan due to insufficient funding. Nonetheless, as the following sections of the report demonstrate, the Combined Authority and partners are doing as much as possible to begin delivery within existing resources.
- 2.9 At their meeting of the 27 November the Combined Authority also committed to supporting the extension of the Employment Hubs and Reboot programmes, two key elements within the economic recovery plan for supporting individuals to access employment and skills opportunities. Given the scale of economic challenge from the pandemic, further work is taking place to prioritise elements of the recovery plan for urgent funding decisions, particularly around encouraging business growth and supporting local authority initiatives. These are being developed now, with the intention to bring forward to the Combined Authority in February 2021.

¹ Further details on the full membership and terms of reference of the recovery board can be found at: <https://www.westyorks-ca.gov.uk/erb>

² West Yorkshire Economic Recovery Plan (first version) as endorsed by the Combined Authority in September: www.westyorks-ca.gov.uk/media/4413/draft-west-yorkshire-economic-recovery-plan-v8-to-sept-ca.pdf

Business Support and Engagement

- 2.10 The Combined Authority/LEP continues to see ongoing high demand from businesses and individuals resulting from the COVID-19 crisis. For example, the Growth Service (renamed Business Support Service) dealt with over 6,000 from businesses in the period from the end of March 2020 through to early November 2020 (a 65% increase on the corresponding period last year).
- 2.11 A major contributor to the above increase has been the COVID-19 Recovery Grants that the Business Support Service is now delivering with £1.2 million from the European Regional Development Fund (ERDF) and £2m from the Business Growth Programme. Over 1600 applications are now being taken forward for West Yorkshire, and these are mostly from micro and small firms requesting grants at an average size £2.7k. The grants will support small capital investments (predominantly ICT-related) and cover consultancy costs related to the development of recovery and resilience plans. The applications are from across sectors, but the majority are from the Retail, Hospitality and Leisure sectors.
- 2.12 The Local Authorities of West Yorkshire have already delivered over £500 million of grant funding to over 40,000 businesses via the Small Business Grant Fund, the Retail, Hospitality and Leisure Grant Fund and the and Discretionary Grant Fund. Local Authorities, with support from the Business Support Service, had been able to target the discretionary fund at a broader range of sectors to meet ongoing need and demand, including private day nurseries, suppliers to retail, leisure and hospitality and manufacturers.
- 2.13 Local Authorities have commenced delivery of further grant support to businesses forced to close in the national lockdown (5 November 2020 to 2 December 2020), and to those that had been trading in Tier Two restrictions (different household unable to mix indoors) between 1 August 2020 and 31 October 2020. As of late November 2020, over 12,500 applications from businesses in West Yorkshire had already been received and were in the process of being appraised and awarded. In addition, Local Authorities are now in the process of approving and launching their discretionary grant schemes to be funded from West Yorkshire's Additional Restrictions Grant (ARG) allocation of £46.6m. These schemes have been informed by a West Yorkshire Framework that set out proposals for how the allocation could be used to support those businesses unable to access the other grants, and/or, those that have been most severely impacted by past and current restrictions. For example, firms outside the Business Rates system (typically in shared accommodation), suppliers to the Retail, Leisure and Hospitality sectors and some segments of the self-employed.
- 2.14 The Digital Resilience Voucher scheme, delivered as part of the wider Digital Enterprise programme, is now nearing completion. It is providing grants of up to £5,000 to small firms to support with the cost of ICT equipment, and associated software, in the process enabling more effective and secure remote working. Over 500 applications with a collective value of almost £2 million were received and over 450 have now been appraised and awarded. One recipient of the grant based in Birstall, Kirklees recently emailed to thank

the Combined Authority for its support, stating that the funding and advice had enabled it to continue trading and to build a route to recovery.

- 2.15 In addition, the Support Service is helping businesses with recovery and resilience through the Peer Networks project being delivered by the University of Leeds Business School (action learning support for SMEs via a cohort model over 12 weeks with 30 firms on board to date), the Business Membership Scheme (support for small firms to meet the cost of joining a recognised membership organisation for 12 months, with over 200 having signed up to date) and the Cyber Security Support Scheme (practical help and advice to small firms on how to operate safely and securely within the digital environment, with delivery led by the North East Business Resilience Centre).
- 2.16 Despite the obvious concerns related to so many business sectors at present, the demand for the LEP's capital grants programme (Business Growth Programme) remains very high. Enquiries and applications are currently higher than at any point since the first quarter of 2018/19, and show no signs of slowing. Projects are from across a range of sectors, with food and drink manufacturing and healthcare technology being the most popular.
- 2.17 The team is overseeing a number of high-value inward investment enquiries. The LEP also continues its recent engagement with over 30 of the region's largest organisations to protect employment and operations in the COVID-19 crisis. In addition, the LEP is targeting new investors through a series of targeted inward investment initiatives aimed at sectors of the economy where investment flows are occurring and undertaking a number of export initiatives to encourage businesses to consider trading more with non-EU markets as the EU transition period comes to an end.

Employment and Skills support

- 2.18 The number of people claiming out of work benefits continues to rise. At the end of October there were 106,970 claimants in West Yorkshire.
- 2.19 The last meeting received a summary of measures announced in the Chancellor's summer statement, including the £2 billion 'kickstart scheme' to create around 350,000 opportunities for 16-24 year-olds by funding six months work placements. The programme continues to be developed by DWP with many employers keen to engage. Our local authorities are all anticipating providing the Gateway role supporting businesses with the programme and the Combined Authority/LEP providing a communications campaign to raise awareness and interest with signposting to our local authorities for the delivery support.
- 2.20 Local Authorities and the Combined Authority work closely with Jobcentre Plus, including currently on the Youth Guarantee offer which will include local co-ordination of support for young people through a Youth Hub model.
- 2.21 As per previous updates, the existing part-ESF funded Employment Hub programme delivered by the Combined Authority along with LA partners, has been swiftly adapted to match jobseekers to opportunities across the region

and expand its support for businesses as part of the Covid recovery plan. More information and online enquiry forms can be found for businesses at the-lep.com/employment-hub and jobseekers at futuregoals.co.uk/careers-support. As at 30 November, we have received 558 individual referrals and 96 business enquiries, with 25% requesting recruitment support and 14% seeking support to hire an apprentice and 48% offering support for the KickStart programme. The balance of business enquiries has changed in recent weeks from seeking support with recruitment to offering Kickstart opportunities.

- 2.22 As reported at the last meeting, the Combined Authority's adult re-training programme, [re]boot, is targeting individuals who are currently furloughed or looking for an opportunity to re-train. These are aligned to areas with greatest growth opportunities and new courses are being developed with employer involvement. Since launch in November, the programme has supported over 300 individuals. Recent graduates, school leavers and people on furlough are particularly being targeted for re-training through 24 online courses. Social media campaigns have reached 142,556 people since May.
<https://futuregoals.co.uk/lep-skills-support-during-lockdown/>

- 2.23 In September the Department for Education released a competitive call for digital bootcamp delivery in the Leeds City Region. We anticipate an announcement to be made shortly by the Department of the outcome for courses to be delivered by the end of the current financial year.

Transport Response

- 2.24 During Spring and Summer bus services stepped up at 90% of normal service mileage from the 40% which operated during the first lockdown; this increased to 100% (plus additional buses for school services) for the return to schools in September. This provision was maintained during the November restrictions, however social distancing halves the capacity of buses. Patronage in late September/ early October increased to around 58% of the equivalent week in 2019, but this fell to 45% during the November restrictions. Rail use has been monitored using footfall through Leeds rail station which during November was around 20% of the equivalent week in 2019 compared with 30% in October.
- 2.25 The new Tier 3 restrictions comprise a mix of regulation and guidance; the travel element of the restrictions is advisory. The key elements of this advice are that people are encouraged to reduce the number of journeys they make and to avoid travel into and out of West Yorkshire. The advice to reduce journeys does not include journeys for work, education, health and caring purposes and to visit amenities. Whilst the tier restrictions will continue to apply during the period 23 to 27 December, there is a specific exception to allow up to three households to gather over the Christmas period, with an appropriate adjustment in travel advice allowing for more journeys including those beyond West Yorkshire. The Combined Authority will work with transport operators and partners throughout December to manage travel information and advice through its online, social media and contact centre channels.
- 2.26 Government continues to provide the COVID-19 Bus Services Subsidy Grant (CBSSG) which provides funding support to operate bus services at pre

COVID-19 service levels despite the significant reduction in fare revenue. This is paid direct to bus operators for commercial bus services and to LTAs including the Combined Authority for tendered bus services. The Government has put this funding on a rolling eight-week basis which is now expected to operate at least until the end of the current financial year. The Combined Authority has requested that this funding is delegated to the CA to enable it to manage the recovery of the bus service locally. As part of this arrangement, Government has asked LTAs to continue to pay for concessionary fares at the level operating prior to the pandemic; a decision to do this was made in consultation with the Chair of the Transport Committee. In its Spending Review of 25 November, Government announced “£300 million in 2021-22 to drive transformation of bus services. This funding will be drawn down in the first instance for any further Covid-19 support that may be required, while progressing reform to deliver better outcomes”. The allocation of this funding and the outcome of the request that it is delegated to the Combined Authority will be known early in 2021 when the National Bus Strategy is announced.

- 2.27 Arrangements to provide transport to support the return to school/ college have generally gone well with additional buses provided and funded through £1.9 million from Department for Education to meet the cost of this additional provision in the region over the autumn term. The Department for Education has also issued specific guidance for the provision of home to school transport setting out precautions to reduce the risk of COVID-19 transmission. It is expected that DoE funding will be provided to maintain this provision in the spring term.

3. Clean Growth Implications

- 3.1 Clean Growth will continue to be supported through the current and new products delivered in response to COVID-19 and is at the heart of the Economic Recovery Plan as an overarching goal. The reduction in travel and the increased use of ICT to facilitate effective remote working is having a positive impact on the environment. Businesses will continue to be supported to apply innovation and digital technologies to adapt their products and services to meet current and future demand.

4. Inclusive Growth Implications

- 4.1 As part of the current Inclusive Growth framework, any businesses that receive grants from the above products would be required to contribute to Inclusive Growth actions and outcomes via their funding agreements.
- 4.2 Inclusive Growth is embedded as an overarching goal in the Economic Recovery Plan.

5. Financial Implications

- 5.1 Officers are working to understand the implications of the new financial support packages announced by Government and the options available.

6. Legal Implications

- 6.1 As above, delivery of some of the proposed products will require contractual approvals from Government, and/or new funding allocations that would result in new contractual obligations for the Combined Authority.

7. Staffing Implications

- 7.1 Delivery of new products would require changes to current staff roles and/or additional staff to be recruited.

8. External Consultees

- 8.1 No specific or official external consultations have been undertaken in relation to this report. However, it has been informed by ongoing dialogue and consultation with a wide range of partners, including Local Authorities, Universities and Colleges, Business Representative and Membership Bodies, and direct with some individual businesses.

9. Recommendations

- 9.1 That the Combined Authority notes progress on the delivery and development of the response to the COVID-19 crisis.

10. Background Documents

- 10.1 There are no background documents referenced in this report.

11. Appendices

- 11.1 None



Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: **Capital Spending and Project Approvals**

Director: Melanie Corcoran, Director of Delivery

Author: Craig Taylor, Head of Portfolio Management and Appraisal

1. Purpose of this report

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Fund, for consideration by the Investment Committee at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 The schemes being considered today were recommended by the West Yorkshire and York Investment Committee (the Investment Committee) 2 December 2020.
- 1.3 Please note, at the time of preparing this report the schemes presented will not have been considered by Investment Committee which meets five days before this meeting. However, to expedite scheme delivery and to avoid any delay (the next meeting of the Combined Authority is in February 2020) the schemes are being presented at this time. The recommendations within this report are based on those being put to Investment Committee. The Chair of the Investment Committee will provide a verbal update on the outcome of the 2 December 2020 Investment Committee's consideration of the schemes and whether there are any changes to the recommendations to be considered by the Combined Authority. Any significant changes will be presented in an addendum to the report.

2 Impact of COVID-19

- 2.1 The full implications of COVID-19 on the region and its economy and transport system are still to be understood and the impact on our programmes and schemes has been mixed. The schemes that were due to start in the first half of 2020/21 have experienced delays due to variety of factors, therefore, during schemes' business case development and appraisal process we are working

closely with our council partners to ensure that the delivery timescales reflect the current issues and schemes are actively stress tested to ensure ongoing viability.

- 2.2 In the wake of COVID-19 it is more important than ever to assess the changes to the landscapes of our towns and cities and the impact on current and future planned schemes, particularly, but not exclusively, those relating to transport. The impact of COVID-19 in relation to travel behaviour into and around towns and cities will be assessed as part of scheme appraisal. However, the business cases for some schemes in this report, were developed prior to COVID-19 and aim to address issues identified prior to lockdown restrictions. Therefore, the data presented for some schemes in this report, for example, expected increases in passenger numbers, reflects the pre COVID-19 position. Although it is generally expected that in the medium and long-term behaviours will return to pre COVID-19, as scheme business cases develop further, assumptions will be re-tested.

3 Integrated Clean Growth

- 3.1 The Combined Authority has taken action to ensure all decisions we make include Climate Emergency considerations. The Combined Authority:
- Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.
 - Requires LEP and the Combined Authority reports to include clean growth / tackling the Climate Emergency implications, including qualitative impact assessments.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust, quantifiable methodology and tool for assessing all new schemes predicted carbon emissions/wider clean growth impacts is being developed. The tool will be used to assess schemes currently going through the assurance process from early 2021, with results from these assessments expected after the Mayoral election. At the same time, the tool will be incorporated into the assurance framework so that it can be used to assess future proposals as they progress through the assurance process. This part of the commission will involve a significant training element to ensure carbon assessment is properly embedded in the assurance process. It is anticipated that the commission will be completed by summer 2021.
- 3.3 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will reduce carbon emissions (both directly and indirectly).

4 Strategic Inward Investment Fund (SIIF)

SIIF Pipeline

- 4.1 SIIF is funded via Growth Deal which ends nationally in March 2021. There is now less than five months of delivery.
- 4.2 The Combined Authority has developed the strongest pipeline of potential projects since the funding was agreed in 2017. There are currently six live projects. Should all projects come forward, the total grant request is c. £7.7 million and could create c.1,000 new jobs.
- 4.3 To maximise these significant economic outputs within the current Growth Deal timeframe these projects need to have completed works to the value of the grant before the end of March 2021.
- 4.4 A Strategic Outline Case has been produced for the full pipeline, that is currently being appraised through the Assurance Framework. In order to meet the Growth Deal timeframe (there is not another Combined Authority meeting until 04 February 2021):
 - (i) The Combined Authority are requested to delegate the approval of the Strategic Outline Case to the Investment Committee.
 - (ii) The Strategic Outline Case will be brought for Investment Committee consideration on 07 January 2021 to seek approval for delegated approval to the Combined Authority's Managing Director for each application, following a recommendation for approval from Business Investment Panel and Programme Appraisal Team (PAT).
- 4.5 These projects are highly confidential, and the Combined Authority has NDA's in place with the applicants. Key decisions have been published but the information that will be published on the Combined Authority's website will include very headline information to keep the commercial integrity of the projects.

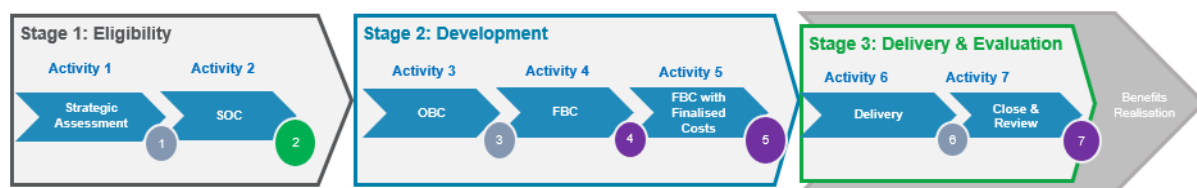
Project 7 - SIIF 012 - Advanced Manufacturing Company

- 4.6 In addition to the above, the following project is at a more advanced stage and therefore requires a different approval, as explained below.
- 4.7 An internationally owned, West Yorkshire based advanced manufacturing company has outgrown its current location and needs to expand its production capacity to an additional site. The company is a major employer in West Yorkshire, as well as a major exporter of advanced machinery to international markets.
- 4.8 To remain competitive and to achieve this expansion, a grant is being sought towards capital investment (premises fit-out and new machinery) to support the growth of the company and create 156 new jobs.

- 4.9 The risk of losing the business and its jobs to another location is significant. The company currently export most of its products from the UK to its parent's key market. Without the grant, the investment will not be paid back within a two-year period, and the international parent will consider moving the whole manufacturing process to alternative overseas location. The demand for their products requires the company to be on site and fully operational by July 2021 – meaning that a lease must be signed in early January 2021 for fit-out works to be completed and the new site to be fully operational and effective.
- 4.10 In order to meet this ambitious timescale (there is not another Combined Authority meeting until 04 February 2021), the Investment Committee (at their 02 December 2020 meeting) recommended that the Combined Authority delegate authority to the Combined Authority's Managing Director to approve:
- (i) The applicant's full business case with finalised costs (decision point 5) and that work commences on activity 6 (delivery),
 - (ii) Approval for the Combined Authority's contribution of £0.779 million is given from the Local Growth Fund.
 - (iii) The scheme's Assurance Framework pathway and approvals.
 - (iv) Subject to the successful appraisal of the application by the Business Investment Panel (BIP) and Programme Appraisal Team (PAT).

5 Report

- 5.1 This report presents proposals for the progression of 3 schemes, which have been recommended for approval by the West Yorkshire and York Investment Committee and considered in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £81.530 million when fully approved, of which £26.030 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £15.259 million is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.
- 5.2 The assurance process is a three stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (Strategic Outline Case) and 5 (Final Business Case with Finalised Costs), with the requirement to meet the intervening activities deemed on a project by project basis.



Projects in stage 1: Eligibility

- 5.3 Projects at the eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, with further project definition including costs and detailed timescales to be developed as the project progresses through the assurance process. At this stage, a long list of options will be considered with a shortlist being presented in the Strategic Outline Case (SOC). Consultation at this stage will be limited, but will be a key to the next activity, Outline Business Case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC.

Projects in Stage 2: Development

- 5.4 Projects at this development stage should demonstrate that they have tested the feasibility of a solution through their business case and that the necessary consultations have taken place. This business case should then be developed in order to confirm and detail the preferred solution including finalising its cost and obtaining the necessary statutory approvals. At this stage, funding may be sought to enable work to progress on the Final Business Case (FBC) and Final Business Case plus Finalised Costs (FBC+).

Projects in Stage 3: Delivery and Evaluation

- 5.5 Once in Delivery and Evaluation the scheme is delivered, and Combined Authority funding is drawn down. When delivery is completed a review is carried out to ensure that the scheme has met all its requirements and outputs in accordance with its Funding Agreement. Finally, information about a scheme's performance following its completion is collected, in order to evaluate the success of the scheme.
- 5.6 Further background information on the Combined Authority's Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.

Value for Money - Benefit Cost Ratios

- 5.7 The Benefit to Cost Ratio (BCR) for some of the schemes in this report potentially represent low value for money, when assessed using the Department for Transport's Transport Appraisal Guidance TAG on the appraisal of transport schemes.
- 5.8 This is because whilst calculating benefits to costs of a transport scheme there are many more journeys made by car than are made by bus, cycling and walking and as a consequence the monetised benefits arising from improvements to bus, cycling and walking journeys may be outweighed by the monetised dis-benefits to car users.
- 5.9 However, a key strategic objective of investment is to encourage modal switch to more sustainable modes and therefore whilst the 'core' BCR (i.e. following Green Book guidance on total impact on the society as a whole) for some

schemes may be low, discounting the dis-benefits to car users from the appraisal will result in a higher BCR and where possible this 'range of BCR' will be presented to support decision making. This is in line with HM Treasury guidance where appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.

- 5.10 The Department for Transport (DfT) and Her Majesty's Treasury (HMT) are currently undertaking a review of these approaches and are aware of the issues. Until the review is complete, the Combined Authority will continue to follow national guidance, which is also reflected in the Leeds City Region Assurance Framework.

| | |
|--|---|
| <p>Scheme</p> <p>A58 Corridor</p> <p>Leeds</p> <p>(02 December Investment Committee)</p> | <p><u>Scheme description</u></p> <p>This scheme will deliver improvements to the A58 corridor in Harehills, Leeds (Roundhay Road, Easterly Road and Barrack Road), including upgrading existing signalling; designated bus lanes; new cycling infrastructure as well as improved pedestrian signalised crossing facilities across key junctions along the corridor.</p> <p>The scheme will be funded from the West Yorkshire plus Transport Fund and forms part of the Corridor Improvement Programme – Phase 2 (CIP 2).</p> <p><u>Impact</u></p> <p>The scheme will improve journey reliability for all road users by reducing journey times and benefit pedestrians and cyclists in particular providing upgraded cycle lanes and improved pedestrian crossing.</p> <p>The scheme supports inclusive growth through improving travel by enhancing the road network as well as enhancing the environment and green infrastructure, supporting better air quality, thereby supporting clean growth and climate change principles.</p> <p>The value for money for this scheme is assessed as high at this stage with further work to be undertaken to confirm this ahead of the next decision point.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 3 (outline business case) and work commences on activity 4 (full business case).</p> <p>Total value of the scheme - £9.530 million</p> <p>Total value of Combined Authority funding - £9.530 million</p> <p>Funding recommendation sought - £1.259 million</p> <p>A decision by the Combined Authority is sought as part of this report.</p> |
|--|---|

| <u>Scheme</u> | <u>Scheme description</u> |
|--|---|
| Mytholmroyd Flood Alleviation Calderdale (02 December Investment Committee) | <p>The Mytholmroyd Flood Alleviation scheme will improve flood resilience in the area with enhanced flood walls, barriers and river widening.</p> <p>This change request is seeking approval for additional funding reflecting a significant increase in scope to the scheme to help prevent flooding for more homes and businesses following additional Government support and a wider increase to the scheme as a whole.</p> <p>The scheme is funded from the Local Growth Fund.</p> <p><u>Impact</u></p> <p>The scheme aims to increase the City Region's resilience to current and future climate change through the reduction of flood risk to local businesses and communities.</p> <p>It will reduce flood risk to 270 homes and 196 businesses potentially safeguarding 1,116 jobs within the area. The new funding will result in additional 616 jobs across an additional 94 businesses safeguarded compared to the original funding allocation.</p> <p>The scheme supports the delivery of Priority 3 (Clean Energy & Environmental Resilience), 4b (infrastructure for Growth) and 4c (Flood Alleviation) of the Strategic Economic Plan (SEP).</p> <p><u>Decision sought</u></p> <p>Approval for the Mytholmroyd Flood Alleviation change request at activity 6 for an additional £2.000 million to be released from the Local Growth Fund and change to scope as outlined in this report.</p> <p>Total value of the scheme – at least £41.000 million</p> <p>Total value of Combined Authority funding - £4.500 million</p> <p>Funding recommendation sought - £2.000 million</p> <p>A decision by the Combined Authority is sought as part of this report.</p> |

5.11 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

5.12 This report provides information required to enable the Combined Authority to approve each of the above elements.

- 5.13 Since the Combined Authority's meeting on 10 November 2020 there has not been an intervening Investment Committee meeting where schemes have been approved through the agreed delegation to the Combined Authority's Investment Committee.
- 5.14 Since the Combined Authority's meeting in November, the following decision points and change requests have been assessed in line with the Combined Authority's assurance process and approved through the agreed delegation to the Combined Authority's Investment Committee. The Investment Committee is authorised to progress a scheme under the Assurance Framework in accordance with any bespoke approval pathway and approval route, subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%. Decisions regarding the following schemes have will have been made by Investment Committee on the 2 December 2020. The decisions were made by the Investment Committee following a recommendation from Combined Authority Programme Appraisal Team. All the schemes outlined below have remained within the financial approvals and tolerance levels agreed by the Combined Authority unless stated otherwise below.

| Scheme | <u>Scheme description</u> |
|---|--|
| <p>Transforming Travel Centres</p> <p>Bradford, Huddersfield and Leeds</p> | <p>This scheme will transform the travel centres of Huddersfield, Bradford and Leeds bus stations through a range of design, refurbishment and digital improvements including improved lighting, reduced heating and air-conditioning costs, automated ticketing machines and re-designing or creating retail space.</p> <p>The scheme will be funded from the Local Transport Plan Integrated Transport Block (LTP ITB).</p> <p><u>Impact</u></p> <p>This scheme will enhance public transport services to new and existing customers as evidenced by the scheme's strategic fit with the aims of the LTP ITB programme of 'maintaining and enhancing assets'.</p> <p>The benefit cost ratio (BCR) is 1.7:1 which offers medium value for money. Revenue benefit is anticipated by providing new retail rental space.</p> <p>Once implemented a carbon saving of 30 tonnes of carbon over the lifetime of the scheme is anticipated. Lower and more sustainable use of energy in the centres will be delivered through more energy efficient lighting.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 2 (strategic outline case) and work commences on activity 5 (full business case with finalised costs).</p> <p>Total value of the scheme - £1.000 million</p> <p>Total value of Combined Authority funding - £1.000 million</p> <p>Funding recommendation sought - £0.169 million</p> |

| | |
|---|---|
| <p>Scheme</p> <p>LTP: ITB Rail Accessibility Package</p> <p>Location</p> <p>Calderdale, Bradford and Wakefield</p> | <p><u>Scheme description</u></p> <p>The scheme will deliver new lifts; a replacement footbridge at two of the stations; installation of new station signage, CCTV and tactile paving across Todmorden, Menston and Pontefract Monkhill train stations.</p> <p>The scheme will be part funded by the Local Transport Plan – Integrated Transport Block (LTP ITB) 2019-22.</p> <p><u>Impact</u></p> <p>The scheme will improve access and journey times by rail to employment, education, leisure, and housing for people with reduced mobility, lower carbon dioxide emissions through reduced car use, improve air quality and encourage housing and employment developments in the area by providing fully accessible local stations.</p> <p>The value for money assessment was determined and endorsed by the Department for Transport as part of the successful funding application process for its 'Access for All' funding programme.</p> <p>The scheme supports inclusive growth by delivering step-free, fully accessible stations for all, in particular to benefit persons of reduced mobility, improving journey times and access to employment, education, leisure, and housing and quality of life.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 5 (full business case with finalised costs) and work commences on activity 6 (delivery).</p> <p>Total value of the scheme - £7.044 million</p> <p>Total value of Combined Authority funding - £0.709 million</p> <p>Funding recommendation sought - £0.709 million</p> |
|---|---|

| Scheme | <u>Scheme description</u> |
|---|---|
| <p>Wakefield Warm Homes</p> <p>Wakefield</p> | <p>The scheme compliments Wakefield Council's existing Home Energy Efficiency Improvement Programme (which includes funding from the current Fuel Poverty Fund heating improvement scheme); enabling the installation of additional energy efficiency improvement measures.</p> <p>This scheme will address fuel poverty by reducing heating costs and produce a carbon reduction in Wakefield, through the provision of up to 271 energy efficiency improvements (including insulation and new boilers).</p> <p>The scheme will be funded from the Getting Building Fund (GBF).</p> <p><u>Impact</u></p> <p>The scheme aims to address fuel poverty, contribute to better health outcomes, and improve the homes while reducing carbon emissions by 2000 tonnes over the scheme's product lifetimes.</p> <p>The scheme has a benefit cost ratio (BCR) of 1.7:1 which represents medium value for money.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 5 (full business case with finalised costs) and work commences on activity 6 (delivery).</p> <p>Total value of the scheme - £0.961 million</p> <p>Total value of Combined Authority funding - £0.661 million</p> <p>Funding recommendation sought - £0.661 million</p> |

| Scheme | <u>Scheme description</u> |
|---|---|
| <p>Holbeck Phase 2 Victorian Terrace Retrofit</p> <p>Leeds</p> | <p>This scheme is an extension of the Holbeck Regeneration and Group Repair scheme which has already delivered the same outcomes in comparable homes (phase 1: Growth Deal Fund). Managed by Leeds City Council, the scheme's purpose is to address fuel poverty amongst some of the most vulnerable households within the Leeds City Region through a capital programme of transformative energy efficiency improvements (external wall insulation, roof insulation, gas boilers etc.) and essential repair works across all types of housing, reducing the carbon emissions by 8,500 tonnes over the product lifetimes.</p> <p>The scheme will be funded from the Getting Building Fund (GBF).</p> <p><u>Impact</u></p> <p>The scheme will deliver energy efficiency and heating improvements to 100 homes. This will lead to reduced heating costs and lower carbon dioxide emissions and a reduction in fuel poverty and associated health and social impacts. Improvements to the appearance of the residential streets will also be delivered, including the remediation and redesign of communal bin yards. It is expected that this work will create 30 construction jobs and support 3 apprenticeships.</p> <p>The Benefit to Cost Ratio (BCR) is reported as 0.5:1, which would be considered as poor value for money. However, this is a low estimate and accepted that it is difficult to attribute certain benefits to such schemes due to the high number of unknowns, including household makeup and factors such as health conditions, financial situations and school attainment. The scheme's BCR is within the range of similar schemes and is expected to deliver a higher value than has been calculated.</p> <p>This scheme is more comprehensive than the preceding one in this report with higher cost interventions due to the poor condition of these Victorian properties that require a range of interventions, including external wall insulation, remedial and roofing repairs which have a more comprehensive economic impact on the wider area.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 5, full business case with finalised costs, and work commences on activity 6, delivery.</p> <p>Total value of the scheme - £3.281 million</p> <p>Total value of Combined Authority funding - £2.604 million</p> <p>Funding recommendation sought - £2.604 million</p> |

| Scheme | <u>Scheme description</u> |
|--|---|
| <p>Wakefield Business Gigabit Voucher Scheme</p> <p>Wakefield</p> | <p>The scheme offers financial assistance to bring high speed broadband to the hardest to reach premises in the Wakefield area. These will be provided directly to SME businesses or residents in the form of vouchers to gap fund the installation of high speed broadband. This is a continuation of the Government's National Gigabit Voucher programme which closed early due to full allocation.</p> <p>The scheme will be funded from the Getting Building Fund (GBF).</p> <p><u>Impact</u></p> <p>The scheme will help businesses and residents to access faster connectivity, where funding might have been a barrier.</p> <p>On average existing businesses will see increased productivity with an expected impact of between 0.3% and 3.8% increase in turnover per worker per annum.</p> <p><u>Decision sought</u></p> <p>Approval to proceed through decision point 5 (full business case with finalised costs) and work commences on activity 6 (delivery).</p> <p>Total value of the scheme - £0.300 million</p> <p>Total value of Combined Authority funding - £0.300 million</p> <p>Funding recommendation sought - £0.300 million</p> |

6 Information

- 6.1 Location maps for each of the schemes presented in this report (where applicable) are provided in **Appendix 2**.
- 6.2 All the schemes set out in this report have been or will have been considered by the Investment Committee on 2 December 2020.

Projects in stage 1: Eligibility

- 6.3 There are no projects in this stage to be approved in this report.

Projects in Stage 2: Development

| | |
|-----------------------|-----------------------------|
| Project Title | A58 Corridor (Leeds) |
| Stage | 2 (development) |
| Decision Point | 3 (outline business case) |

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

Background

- 6.4 This scheme will be funded from the West Yorkshire plus Transport Fund. This is a £1 billion fund, covering West Yorkshire and York. The objectives of the West Yorkshire plus Transport Fund are to enable key employment and housing development areas and will help to create about 20,000 new jobs over the next 10 years. These strategic transport projects will be delivered to facilitate the growth priorities identified in the Leeds City Region Economic plan.
- 6.5 The A58 Corridor scheme has been developed by Leeds City Council as part of a larger package. Following a prioritisation exercise at programme level for both Leeds Public Transport Investment Programme and the Corridor Improvement Programme (CIP) Phase 2, the scheme will now form part of CIP Phase 2 Programme.
- 6.6 This scheme will deliver improvements to the A58 Roundhay, Easterly and Barrack roads corridor in Leeds including upgrading existing signalling with better links between signal controlled junctions; designated bus lanes; new cycling infrastructure as well as improved pedestrian signalised crossings across key junctions along the corridor.
- 6.7 A location map is included in **Appendix 2**.

Clean Growth / Climate Change Implications

- 6.8 There will be a reduction in vehicle emissions from a transfer from private to public vehicles and increased cycling and walking, enhancing the environment and green infrastructure, thereby supporting better air quality, thereby supporting clean growth and climate change principles.

Outputs, Benefits and Inclusive Growth Implications

6.9 The scheme outputs and benefits include:

- Upgrading existing signalling;
- Designated bus lanes;
- Provision of new cycling infrastructure; and
- Improved pedestrian signalised crossings across key junctions along the corridor.

6.10 These measures are designed to:

- Create peak journey time savings
- Enhance public transport reliability
- Decongest the network
- Improve health by improving air quality and reducing noise
- Improve access to employment and training

Risks

6.11 The scheme risks include:

- Land deals not agreed in time / at expected cost; mitigated by early agreements of third-party land requirements.
- Public objection from the cycling community in the design of cycle lanes; mitigated by careful, well planned and communicated design.
- Wider stakeholder objections as little engagement to date; mitigated by communications plan

Costs

6.12 The scheme costs are:

- Total scheme cost is anticipated as £9.530 million.
- The current projected scheme development cost to full business case is £1.259 million to be funded from the West Yorkshire plus Transport Fund. This includes £0.321 million already incurred under LPTIP to decision point 3 (outline business case) and then £0.883 million to decision point 4 (full business case) and £0.054 million to decision point 5 (full business case with finalised costs). This funding will cover the following costs: scheme development/ design, project management, further value for money and benefit cost ratio work and land purchase.

Assurance Pathway and Approval Route

| Assurance pathway | Approval route | Forecast approval date |
|--|--|------------------------|
| 3 (outline business case) | Recommendation: Investment Committee Decision: Combined Authority | 10/12/2020 |
| Decision point 4 (full business case) | Recommendation: Combined Authority's Programme Appraisal Team Decision: Investment Committee | April 2021 |
| Decision point 5 (full business case with finalised costs) | Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director | August 2021 |
| Decision point 6 (delivery) | Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery | 01/03/2023 |

Other Key Timescales

- Start on site September 2021
- Completion December 2022

Assurance Tolerances

| Assurance tolerances |
|---|
| That the total scheme cost remains within +10% of the costs identified within this report. That the scheme delivery timescale remains within three months of the timescales identified within this report. |

Project Responsibilities

| | |
|---------------------------------|------------------------------------|
| Senior Responsible Officer | Garry Bartlett, Leeds City Council |
| Project Manager | Robert Mason, Leeds City Council |
| Combined Authority case officer | Neil Johnson |

Appraisal Summary

- 6.13 The scheme is a good strategic fit with the priorities of the Strategic Economic Plan and other schemes underway or planned in Leeds, and serve planned new housing, school and business developments. The need for improving the public transport offer to match the demand for travel is clearly demonstrated. Upon delivery, the scheme should enable a more efficient public transport

network and cycling route, both of which should reduce air pollution in the area.

- 6.14 The project is to be managed by an experienced team within Leeds City Council. This team have experience of delivering similar projects. Procurement is most likely through existing frameworks; however, this will be clarified at the next decision point.
- 6.15 There are outstanding economic case questions related to the benefit to cost ratio that require further information at full business case to elevate the confidence level the Combined Authority has with the economic case and conditions have been set, that need to be discharged at full business case. The appraisal will be revised and based on the use of strategic modelling to account for reassigned traffic. The Appraisal Specification Report will be revised in agreement with the Combined Authority to reflect the change in the modelling and appraisal methodology and address issues raised. If the scheme appraisal at full business case is not positive, including a BCR of medium VfM, it may not be approved to progress any further.
- 6.16 Leeds City Council will work with the Combined Authority to ensure the data requirements of the Carbon Impact assessment tool are proportionate and assess the scheme using the Carbon Impact tool during full business case development.

Recommendations

- 6.17 The Combined Authority approves that:
- (i) The A58 Corridor scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
 - (ii) That an indicative approval to the total project value of £9.530 million is granted from the West Yorkshire plus Transport Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) Development costs of £1.259 million from the West Yorkshire plus Transport Fund are approved to cover costs to date to progress the scheme to outline business case and in order to progress the scheme to decision point 4 (full business case with finalised costs) and 5 (full business case with finalised costs).
 - (iv) The Combined Authority enters into a funding agreement with Leeds City Council for up to £1.259 from the West Yorkshire plus Transport Fund.
 - (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report subject to the scheme remaining within the tolerances outlined in this report.

| | |
|-----------------------|--------------------------------------|
| Project Title | Mytholmroyd Flood Alleviation |
| Stage | 3 (delivery and evaluation) |
| Decision Point | Change request (activity 6) |

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

Background

- 6.18 This scheme is funded through the Local Growth Fund. The purpose of this funding is to attract the next generation of jobs and deliver a step change to the growth of the City Region. The Growth Deal enables implementation of the priorities set out in the Strategic Economic Plan including the development of housing and commercial sites, expansion of a skilled workforce, support to growing businesses, promotion of resource efficiency and investment in integrated transport (through the West Yorkshire plus Transport Fund).
- 6.19 Mytholmroyd has a significant risk of flooding from the River Calder, Cragg Brook and the Rochdale Canal. In recent years businesses and local communities have suffered multiple flood events, including the Boxing Day 2015 floods where river levels were the highest ever recorded and flooding was widespread throughout the whole of the Calder Valley. In 2020, storm Ciara also caused significant flooding within the area.
- 6.20 The Mytholmroyd Flood Alleviation scheme is being delivered through the Local Growth Fund and was approved by the Combined Authority's Managing Director in 2017.
- 6.21 At the time of approval, the project scope was still under development. Development works included the construction of new flood walls to the river Calder and Cragg Brook, widening of the river channel and removal and construction of a new bridge at Caldene Avenue.
- 6.22 The scope of the project has been developed and refined with 11 areas of flood alleviation works identified. These are:
- Greenhill Industrial Estate
 - Mytholmroyd Bridge and St Michael's Church
 - Cragg Brook and River Calder Confluence

- Caldene Bridge
- Upstream of Caldene Bridge
- Cragg Brook upstream of railway viaduct
- White Lee Clough Culvert
- Rochdale Canal
- Scar Bottom Cottages and Cragg Road
- Brearley and Luddenden Foot (downstream works)
- Burnley Road

6.23 As a result of the refinement to the scope, significant flooding during early 2020, and the impact of the COVID-19 pandemic, the scheme costs have increased to over £41.000 million.

Clean Growth / Climate Change Implications

6.24 The scheme aims to increase the City Region's resilience to current and future climate change through the reduction of flood risk to local business and communities

Outputs, Benefits and Inclusive Growth Implications

6.25 The scheme outputs and benefits include:

- Reduced flooding risk to 270 homes and 196 businesses, potentially safeguarding 1116 jobs within the area. The new funding will result in additional 616 jobs across an additional 94 businesses safeguarded compared to the original funding allocation.
- Reducing the potential cost of future flood damage by over £85 million.
- Protecting essential infrastructure in the area, including rail, road, public transport, walking and cycling links.
- Reduce the potential risks to public safety as a result of rapid onset flooding.

6.26 The scheme has a benefit cost ratio (BCR) of 1.8:1 which represents medium value for money.

Risks

6.27 The scheme risks include:

- There is a risk that adverse weather in winter of 2020 will cause delays to the programme due to rising river levels. This risk will be reduced by installing temporary measures (e.g. dams) to keep areas dry.
- There is a risk that the ongoing COVID-19 pandemic will cause delays to the programme due to being unable to obtain materials, i.e. concrete. This risk will be reduced by sourcing alternative suppliers.

Costs

6.28 The scheme costs are:

- The total scheme cost at full business case in 2017 was £15.000 million.
- Due to the increased scope and delays outline above, the total scheme cost has increased to over £41.000 million. Funding has been secured from Flood Defence Grant in Aid, DEFRA Booster Funding, European Structural Investment Funds (ESIF) and local levy approved by the Yorkshire Regional Flood and Coastal Committee (YRFCC).
- The change request seeks approval for an additional £2.000 million from the Local Growth Fund taking the Combined Authority's contribution to £4.500 million. The additional Local Growth Fund money for this scheme is available within the overall allocation for Flood Alleviation schemes. The additional LGF monies will enable £2.000 million of the DEFRA Booster Funding to be reallocated to flood alleviation schemes within the wider Calderdale area for additional benefits to be realised.

6.29 The change request seeks approval for an additional £2.000 million from the Local Growth Fund taking the Combined Authority's contribution to £4.500 million. The additional Local Growth Fund money for this scheme became available after the Brighouse Flood Alleviation Scheme was withdrawn from the Growth Deal programme and returned to the pipeline. The additional LGF monies will enable £2.000 million of the DEFRA Booster Funding to be reallocated to flood alleviation schemes within the wider Calderdale area for additional benefits to be realised. Specifically, £1.5000 million will be ringfenced for the Brighouse Flood Alleviation Scheme (Fluvial), which is expected to safeguard 2,036 jobs and 258 businesses, and £0.500 million to Brearley Bridge Scour Protection works.

Assurance Pathway and Approval Route

| Assurance pathway | Approval route | Forecast approval date |
|-----------------------------|--|------------------------|
| Change request (activity 6) | Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority | 10/12/2020 |
| 6 (delivery) | Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery | 31/03/2021 |

| | | |
|----------------------|--|------------|
| 7 (review and close) | Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery | 28/02/2023 |
|----------------------|--|------------|

Other Key Timescales

- 6.30 Construction of this scheme is due to complete by February 2021.

Assurance Tolerances

| Assurance tolerances |
|---|
| That Combined Authority costs remain within those outlined in this report. |
| That the timescales remain within 1 month of those outlined in this report. |

Project Responsibilities

| | |
|--|---------------------------------|
| Senior Responsible Officer | Adrian Gill, Environment Agency |
| Project Manager | Paul Swales, Environment Agency |
| Combined Authority case officer | Heather Briggs |

Appraisal Summary

- 6.31 The full business case for this scheme was approved in 2017, before the assurance process was implemented. The scope at the time stated that the scheme would comprise of channel widening to the river Calder and Cragg Brook and wall raising works within the town. It was stated at the time of approval that the options for the scheme were still under development.
- 6.32 Since the scheme was approved, the scope has been developed and refined further and increased to the details provided earlier in this report. As a result of this, the scheme costs have substantially increased which has resulted in the benefit cost ratio (BCR) for this scheme being reduced from 3.9:1 to 1.8:1. This scheme does, however, represent medium value for money.

Recommendations

- 6.33 The Combined Authority approves that:
- (i) The change request to the Mytholmroyd Flood Alleviation scheme to award an additional £2.000 million from the Local Growth Fund, taking the total Combined Authority Local Growth Fund contribution to £4.500 million, is approved.

- (ii) The Combined Authority enters into a variation to the existing funding agreement with the Environment Agency, for additional expenditure of up to £2.000 million from the Local Growth Fund taking the full allocation of Combined Authority funding to £4.500 million.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3: Delivery and Evaluation

6.34 There are no projects in this stage to be approved in this report.

7 Clean Growth Implications

7.1 Clean growth implications are outlined in each scheme, see above.

8 Inclusive Growth Implications

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

9 Financial Implications

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

10 Staffing implications

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

11 External consultees

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

12 Recommendations

Strategic Inward Investment Fund (SIIF) Pipeline

12.1 The Combined Authority approves that:

- (i) Delegated authority is given to the Investment Committee to approve the Strategic Outline Case (decision point 2).

Project 7 - SIIF 012 - Advanced Manufacturing Company

12.2 Combined Authority approves that delegated authority is given to the Combined Authority's Managing Director to approve, subject to the successful appraisal of the application by the Business Investment Panel (BIP) and Programme Appraisal Team (PAT).

- (i) The applicant's full business case with finalised costs (decision point 5) and that work commences on activity 6 (delivery)
- (ii) Approval for the Combined Authority's contribution of £0.779 million is given from the Local Growth Fund.
- (iii) The scheme's Assurance Framework pathway and approvals.

A58 Corridor

12.3 The Combined Authority approves that:

- (i) The A58 Corridor scheme proceeds through decision point 3 (outline business case) and work commences on activity 4 (full business case).
- (ii) That an indicative approval to the total project value of £9.530 million is granted from the West Yorkshire plus Transport Fund, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) Development costs of £1.259 million from the West Yorkshire plus Transport Fund are approved to cover costs to date to progress the scheme to outline business case and in order to progress the scheme to decision point 4 (full business case with finalised costs) and 5 (full business case with finalised costs).
- (iv) The Combined Authority enters into a funding agreement with Leeds City Council for up to £1.259 from the West Yorkshire plus Transport Fund.
- (v) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report subject to the scheme remaining within the tolerances outlined in this report.

Mytholmroyd Flood Alleviation

12.4 The Combined Authority approves that:

- (i) The change request to the Mytholmroyd Flood Alleviation scheme to award an additional £2.000 million from the Local Growth Fund, taking the total Combined Authority Local Growth Fund contribution to £4.500 million, is approved.
- (ii) The Combined Authority enters into a variation to the existing funding agreement with the Environment Agency, for additional expenditure of up to £2.000 million from the Local Growth Fund taking the full allocation of Combined Authority funding to £4.500 million.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report subject to the scheme remaining within the tolerances outlined in this report.

13 Background Documents

- 13.1 Business case summaries for the schemes recommended for approval by the Investment Committee on 2 December 2020 are available here:

[2 December Investment Committee](#)

14 Appendices

- 14.1 **Appendix 1** – Background to the Combined Authority’s assurance framework
- 14.2 **Appendix 2** – Location maps for the schemes presented in this report

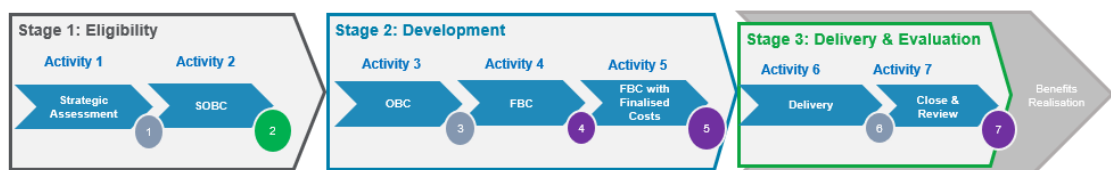
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Appendix 1 (Background to the report)

Subject: Capital Spending and Project Approvals

Information

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



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

Future assurance and approval route

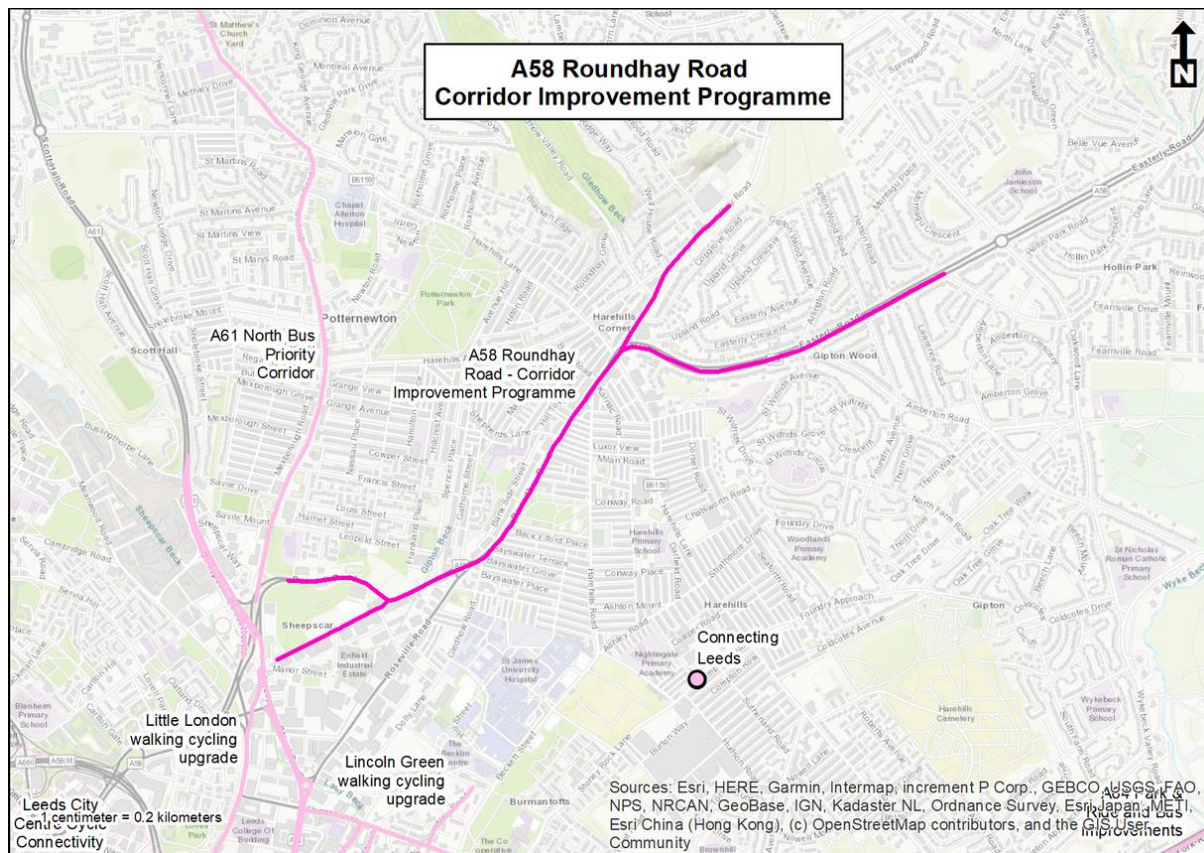
- 1.3 The tables for each scheme in the main report outlines the proposed assurance process and corresponding approval route for the scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

Tolerances

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

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

A58 Corridor



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Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: **EU Exit: End of Transition Period**

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

Author(s): Ian Smyth, Head of Economic Policy

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

1. Purpose of this report

- 1.1 To provide an update on organisational preparation being undertaken by the West Yorkshire Combined Authority (Combined Authority) and Leeds City Region Local Enterprise Partnership (LEP) for the end of the European Union transition period which is due to finish on 31 December 2020. Given that UK-EU negotiations are ongoing, a verbal update will be provided at the meeting.

2. Information

- 2.1 The Combined Authority and LEP has continued to support the city region in preparing to exit the EU over the period since the referendum, working closely in particular with local authorities in West Yorkshire. With the transition period ending on 31 December 2020, the LEP is playing a proactive role in providing support to the city region's businesses as they plan for the opportunities and challenges they may have as a result of a new business environment. This paper updates on key activities that ensure the preparedness of the Combined Authority for the end of the transition period.

Implications of the end of the EU transition (and potential agreed trade deal)

- 2.2 The impact of COVID-19 has substantially altered the environment in which the end of the EU transition phase will now take place. In particular, the implications of the end of the transition period occurring during ongoing restrictions have undoubtedly impacted on the preparedness of the Government, businesses and individuals for the impact of these changes.
- 2.3 As we enter the final stages of the transition phase, there remains a substantial amount of detail, regarding future trading arrangements with the European Union in particular, that continues to be updated. At the time of writing there has been no confirmation of what trade deal with the European Union might be agreed before the end of the transition. This creates an additional difficulty for individuals and businesses in West Yorkshire to ensure they are preparing appropriately.
- 2.4 Within this uncertain context, from what is known already the key implications for West Yorkshire of the end of the transition are likely to be:
- New customs processes, tariffs and cross-border VAT arrangements for those trading outside of the UK
 - Legal and regulatory changes to conducting business, but also to the sharing of data, recognition of qualifications and other transactions
 - The implementation of a new immigration system – ending freedom of movement to and from the European Union
 - The end of access to European funding sources, with the introduction of the Shared Prosperity Fund for the UK (see more in item 10) and national infrastructure bank
 - The end of access to new European Union programmes and initiatives (unless a separate agreement is made in relation to a programme)

Business support

- 2.5 The LEP and Combined Authority has re-commenced regular meetings of the regional export forum. This brings together the main export support providers in the City Region, including the two Chambers of Commerce, the Enterprise Europe Network (EEN) and the Department for International Trade (DIT). The forum is a valuable mechanism to share intelligence on the impact of EU Exit 'on the ground' amongst businesses engaged in international trade, and to help shape and inform appropriate interventions at the local, regional and national level.
- 2.6 The LEP's Growth Hub recently received Government funding of £81,000 to bolster the City Region's capacity to support firms to prepare for, and respond to, the impact of EU Exit up to the end of March 2020. This is a share of a £2.4m national allocation and can only be used to provide one-to-one advice and guidance directly to businesses. With the end of the transition period so close, and increasing demand from firms for support in this area, an open procurement exercise was commenced in mid-November 2020 to appoint an organisation(s) to provide more specialist bespoke EU Exit support aligned to the Growth Hub offers. An update on the outcome of the procurement, which

the Combined Authority led on behalf of the four Growth Hubs/LEPs in Yorkshire and Humber, will be provided at the meeting. The regional approach was taken in order to achieve the best possible impact on value for money and business reach.

- 2.7 At the time of writing, the Government has confirmed that there will be an additional national allocation of £4m for Growth Hubs across England to support businesses with the impacts of EU Exit. For West Yorkshire, this is expected to be in the region of an additional £100k for generalist and specialist business advice and support (inbound and outbound), and circa £60k for enhanced gathering and reporting of business intelligence and for regional coordination of events focussed on EU Exit. Regional and pan-Northern approaches are currently being explored to maximise business reach and impact, and to deliver good value for money. As above, a verbal update will be provided at the meeting.
- 2.8 A number of other activities are being delivered by the LEP and Combined Authority including an action research project to understand the likely impact of EU Exit on circa 150 of our existing more experienced exporters, a series of expert webinars in partnership with the York & North Yorkshire LEP on the key topics and issues that businesses need to be aware of and take action to mitigate against, training and development sessions for the team of 21 SME Growth Managers to better prepare their circa 1500 clients for EU Exit and additional export-related training via the West Yorkshire Consortium of Colleges.

Transport

- 2.9 The Combined Authority continues to liaise with transport operators on their preparedness, with particular regard to identifying any risks to continuity of bus and rail services and longer term impacts upon the sector. While there are some continuing areas of uncertainty, bus and rail operators are currently reporting no significant concerns around potential major service disruption immediately following the end of the transition period. The priority areas in which bus and rail preparations are currently being focussed are:
- Supply of spare parts and ensuring that arrangements are in place to secure specific parts from non-EU markets if needed
 - Ensuring sufficient fuel stocks and mitigation arrangements for the supply of fuel are in place, in the event of any disruption to national fuel supplies.
 - Continuing to monitor the impact, in addition to the Covid-19 pandemic, on overall operating costs and identifying issues early with regard to potential business defaults and the potential impact upon service continuity.
 - Labour supply chain and the impact on bus operators of changes to the Certificate of Professional Competence arrangements for drivers, although this is expected to have a minimal impact on the domestic market
 - Ensuring that Train Operating Companies can continue to source specialist technical engineering support, where this is currently sourced from EU companies

Organisational preparedness

- 2.10 The Combined Authority has a cross-organisational action plan to ensure that, in addition to the measures to support businesses and the transport sector, internal organisational preparations are in place for the end of the transition period. This includes ongoing work to ensure business continuity is maintained in the following key areas:
- Providing information and support to staff directly affected by the EU Settled Scheme in line with government guidance
 - Monitoring any changes required to HR legislation and planning for the resultant impact on policies and procedures
 - Continuing to engage with the Cabinet Office on changes to procurement regulations and preparing for the impact of these upon internal procurement systems and processes.
 - Ongoing monitoring of live contracts, particularly those where there is a reliance on EU supply chains, to identify any risks to continuity of service
 - Continued review of any further changes to standard contractual terms and conditions, which could be required in the future in line with any national changes.
 - Ongoing monitoring of data flow into and out of the organisation where data is being processed/held outside the UK, to identify and mitigate any risks to business continuity or to data security.

3. Clean Growth Implications

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

4. Inclusive Growth Implications

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

5. Financial Implications

- 5.1 There are no financial implications directly arising from this report.
- 5.2 Internal preparations continue to be undertaken using a combination of existing people resource and specific funding provided by BEIS and HMCLG.

6. Legal Implications

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

7. Staffing Implications

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

8. External Consultees

- 8.1 Information about engagement with partners is contained in the report.

9. Recommendations

- 9.1 That the West Yorkshire Combined Authority endorse the organisational preparation being undertaken by the Combined Authority and LEP as the transition period of the UK's exit from the European Union comes to an end.

10. Background Documents

- 10.1 None.

11. Appendices

- 11.1 None.

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Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: **Spatial Priority Areas (SPAs) Refresh**

Director: Alan Reiss, Director Policy, Strategy and Communications

Author: Alison Gillespie, Head of Planning Coordination

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

1. Purpose of this report

- 1.1 To seek endorsement of the revised Spatial Priority Areas (SPA).

2. Information

- 2.1 SPAs were established in the first version of the Strategic Economic Plan (SEP) in 2014 under Priority 4: Infrastructure for Growth. They were defined as the largest and / or most strategic growth opportunities within our city region. Additional SPAs were introduced as part of the SEP refresh in 2016.
- 2.2 Following a review of the existing SPA and call for new SPAs (West Yorkshire authorities only), it was considered that the current SPA categories, focused on growth opportunities (Main Centres, Housing Growth Areas, Employment Growth Areas), were no longer aligned well with our strategic policy position and did not allow for the inclusion of the priorities being put forward by local authorities as new SPAs.
- 2.3 In response, in partnership with all local authorities, new categories and associated criteria have been developed (see Appendix 3) that reflect wider policy priorities including regeneration and urban renewal, Towns Fund

locations, and economic and environmental resilience. A revised set of SPAs meeting these criteria, were identified by local authorities (see paragraph 2.7).

- 2.4 Chief Planning Officers, Strategic Place Officer Group, Directors of Development and West Yorkshire Chief Executives have supported the SPA refresh process and inputted to the changes proposed. The refreshed SPAs were supported by the Place Panel at their meeting on the 14 October 2020.
- 2.5 The map provided in Appendix 1 shows the locations of the proposed SPAs, which are better aligned to the Combined Authority's strategic pipelines. We have undertaken an assessment of this alignment and an example is provided in Appendix 2 which demonstrates positive alignment with Transforming Cities Fund (TCF) schemes and the West Yorkshire Transport Fund Plus. We have also tried where possible to ensure that SPAs are broad areas rather than individual sites (supported by clusters of sites in the strategic pipelines).
- 2.6 The value of having SPAs agreed and endorsed is that it provides consensus on our largest and / or most strategic opportunities in our sub region in order to achieved balanced growth across the area. SPAs are of regional significance and / or are cross-boundary locations. This can help with building cases for funding and with prioritisation when funding opportunities arise, it also helps with building status and investor interest in key locations to support inclusive growth. The categories are designed to distinguish between different types of opportunity and are not a hierarchy of priority for investment decisions.
- 2.7 The draft list of proposed SPAs (and relevant category) are as follows:

| | |
|----------------------------------|---|
| Core City (SPA) | <ul style="list-style-type: none"> Leeds City Centre |
| Main Urban Centre (SPA) | <ul style="list-style-type: none"> Bradford City Centre Wakefield City Centre Huddersfield Town Centre Halifax Town Centre |
| Investment Location (SPA) | <p>Mixed use</p> <ul style="list-style-type: none"> Canal Road Corridor Chidswell ~ East Leeds Extension Aire Valley City Fields Brighouse Garden Village (Including Clifton)* (NEW) Kirkstall Forge (NEW) <p>Employment</p> <ul style="list-style-type: none"> Langthwaite Grange Extension North West Leeds Employment Hub (NEW) Newmarket White Rose Office Park (NEW) Cooper Bridge* <p>Housing</p> <ul style="list-style-type: none"> Castleford Growth Zone Dewsbury Riverside Urban Extension ~ |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Crosland Moor (NEW) • Bradley Garden Village* (NEW) <p>Regeneration</p> <ul style="list-style-type: none"> • Shipley (NEW) • Keighley (NEW) • Dewsbury ~ (NEW) • Batley ~ (NEW) • Todmorden (NEW) • Brighouse (NEW) • Five Towns (Castleford, Normanton, Featherstone, Pontefract, Knottingley) (NEW) • Elland (NEW) |
| Future Growth Location (SPA) | <ul style="list-style-type: none"> • Knottingley and Ferrybridge Growth Area (proposed additional allocations) (NEW) • South Kirkby Urban Extension (proposed additional allocation) (NEW) • Newmarket (proposed additional allocation) (NEW) • Broad Cut Farm (proposed additional allocation) (NEW) • Apperley Bridge / Esholt (NEW) • Holme Wood (NEW) |
| Environmental opportunity (SPA) | <ul style="list-style-type: none"> • Calder Valley (NEW) |

* Sites fall within the Garden Village Corridor SPA Cluster

~ Sites fall within the North Kirklees Growth Zone SPA Cluster

- 2.8 The review of SPAs has been limited to West Yorkshire councils to reflect that the purpose of SPAs is linked to investment and that, in the context of devolution, the future focus of our funding is West Yorkshire. The SPAs have been built bottom-up from district priorities, working within the new criteria. It is intended that the SPAs remain under review and partner councils are able to put forward additional SPAs at any point as new priorities emerge. Further SPAs in the category of Environmental Opportunity are still under development beyond the Calder Valley.
- 2.9 The SPAs, as supported by Place Panel on the 14 October 2020, will form part of the Strategic Economic Framework (SEF) and will be used in the emerging Draft Connectivity Plan. It is also proposed that the SPAs be included in the Place Narrative, an emerging, online, interactive document that will describe our places and how they interact and set out our place-based plans / ambitions and associated committed infrastructure investments. The development of the Place Narrative is being led by the Place Panel.

3. Clean Growth Implications

- 3.1 The SPAs have been developed and are to be actively managed to ensure that we are prioritising development in locations served by sustainable transport networks. The refreshed SPA criteria also includes a new category of 'Environmental Opportunity SPA'. These SPAs support the City Region target to achieve net zero carbon by 2038, with significant progress by 2030. They are potential areas which offer significant opportunities to address

environmental issues, increase resilience and tackle the climate emergency (for example flood risk management, carbon sequestration, net biodiversity and environmental gain, green and blue infrastructure, renewable and low carbon energy generation).

4. Inclusive Growth Implications

- 4.1 Inclusive growth principles are embedded in the aims and criteria of the SPA methodology (see Appendix 2). The Core City and Main Urban Centre and Future Growth Location SPAs aim to support inclusive growth and renewal through the delivery of key infrastructure, commercial and residential development opportunities. The Investment Location SPAs aim to promote urban renewal and to protect vulnerable places from economic and environmental threats.

5. Financial Implications

- 5.1 There are no financial implications directly arising from this report. The SPA refresh has been undertaken internally by the West Yorkshire Combined Authority Policy, Strategy and Communications Directorate.

6. Legal Implications

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

7. Staffing Implications

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

8. External Consultees

- 8.1 No external consultations have been undertaken.

9. Recommendations

- 9.1 That the Combined Authority endorses the revised Spatial Priority Areas (paragraph 2.7), including the supporting Definitions and Criteria (Appendix 3), and agrees to publish these as part of the Strategic Economic Framework.

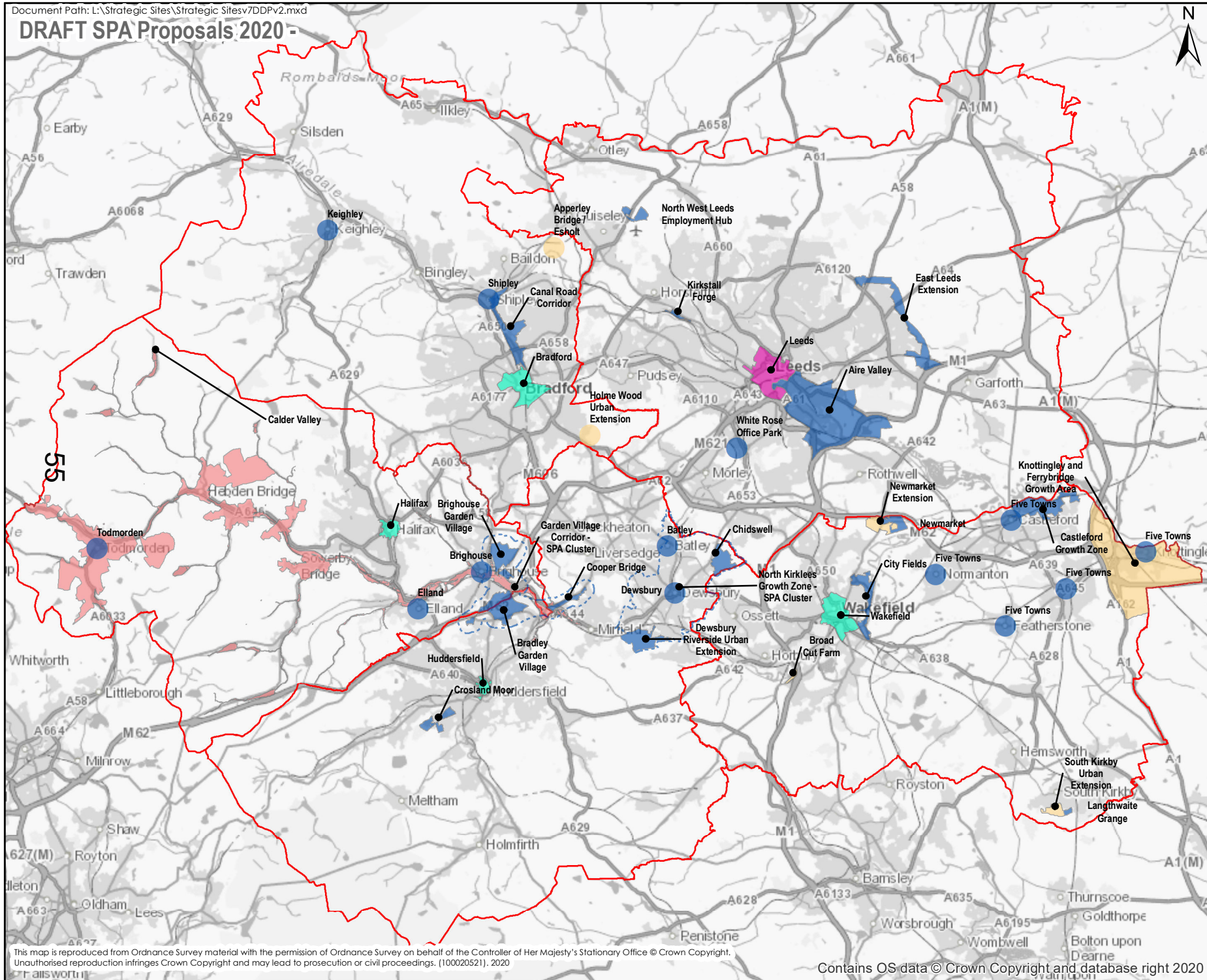
10. Background Documents

- 10.1 None.

11. Appendices

- 11.1 Appendix 1 – Spatial Priority Area Maps
11.2 Appendix 2 - Strategic Sites Transport Alignment
11.3 Appendix 3 – Spatial Priority Area Definitions and Criteria

DRAFT SPA Proposals 2020 -



Notes

Legend

- Core City
- Main Urban Centre
- Investment Location
- Future Growth Location
- Environmental Opportunity
- SPA Cluster
- Investment Location
- Future Growth Location

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West Yorkshire Combined Authority
Wellington House
40 - 50 Wellington Street
LEEDS
LS1 2DE

Appendix 1
Agenda Item 8

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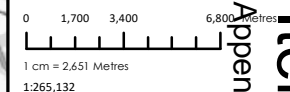
Legend

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West Yorkshire Combined Authority
Wellington House
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2019 / 2020 Spatial Priority Area - Definitions and Criteria – DRAFT FOR DISCUSSION

SPAs are identified as the largest and or most strategic opportunities within our city region, requiring coordinated infrastructure investment and are broad areas rather than individual sites.

There is no suggestion of hierarchy between the different categories of SPA. The value of having SPAs agreed and endorsed is that it provides consensus on our largest and / or most strategic opportunities in our sub region in order to achieved balanced growth across the area.

Our strategic pipelines (including employment, housing and transport) complement the SPAs providing a more comprehensive list of priority sites or schemes, which are key to driving inclusive growth. Many of the employment and housing pipeline sites fall within SPAs. The SPAs are, in some instances, aligned with enabling transport schemes through transport pipelines.

The SPAs have been developed and are to be actively managed to ensure that:

- we are doing all we can to bring forward the 60,000 extant housing permissions across West Yorkshire in the context of high demand for homes;
- we are doing all we can to support jobs growth by better understanding local supply and demand for strategic employment land;
- we are raising the profile of those areas in our city region with critical infrastructure and economic resilience challenges;
- we are prioritising development in locations served by sustainable transport networks.

| CATEGORY | AIMS | CRITERIA | Proposed SPAs |
|-----------|--|--|---|
| Core City | <ul style="list-style-type: none">- Support inclusive growth and renewal in main Urban Centres through the delivery of key infrastructure, commercial and residential development opportunities. | <ul style="list-style-type: none">- Largest settlements in Local Plan place hierarchies. These have been identified in local plans due to their size and role within the context of the district and sub region, their suitability to accommodate new development, and their accessibility to jobs and services.- Member of the UK Core Cities group.- Contributes the highest proportion of housing units to the West Yorkshire total.- Contributes the highest proportion of GVA to the West Yorkshire total. | <ul style="list-style-type: none">• Leeds City Centre |

| CATEGORY | AIMS | CRITERIA | Proposed SPAs |
|---------------------|---|---|--|
| Main Urban Centre | <ul style="list-style-type: none"> - Support inclusive growth and renewal in main Urban Centres through the delivery of key infrastructure, commercial and residential development opportunities. - Transform urban centres to adapt to the climate emergency and to support the regional target to achieve net zero carbon emissions by 2038. - Take a whole place approach to renewal in Urban Centres. | <ul style="list-style-type: none"> - Largest settlements in Local Plan place hierarchies. These have been identified in local plans due to their size and role within the context of the district and sub region, their suitability to accommodate new development, and their accessibility to jobs and services. | <ul style="list-style-type: none"> • Bradford City Centre • Wakefield City Centre • Huddersfield Town Centre • Halifax Town Centre |
| Investment Location | <ul style="list-style-type: none"> - Investment to accelerate growth (housing or commercial), promote regeneration or increase resilience. - Identify requirement for public sector investment to deliver inclusive growth, tackle development constraints, promote urban renewal and to protect vulnerable places from economic and environmental threats. - Support the target to achieve net zero carbon emissions by 2038. | <ul style="list-style-type: none"> - Locations in this category are to align with Local Plan allocations. - Individual site allocations or clusters of sites with a capacity of >1000 units* (housing or) or > 15 ha* (employment) that are aligned with sustainable travel networks. - OR - Meets 3 or more of the following criteria: - Land allocated for housing to deliver 400+ homes or significant commercial development within 600m of an existing or planned railway station or main bus interchange incorporating transit orientated development principles. - Alignment with current and future infrastructure investment priorities (identified as one of the places to connect through the emerging connectivity strategy). - Town is shortlisted at a 'Town Fund' area or 'Future High Street Fund' area. - Area has an average IMD score in the lowest 20%. - Opportunity / need for investment to maintain economic strength / increase resilience. | <p>Mixed use</p> <ul style="list-style-type: none"> • Canal Road Corridor • Chidswell • East Leeds Extension • Aire Valley • City Fields • Brighouse Garden Village (including Clifton) • Kirkstall Forge <p>Employment</p> <ul style="list-style-type: none"> • Langthwaite Grange Extension • North West Leeds Employment Hub • Newmarket • White Rose Office Park • Cooper Bridge <p>Housing</p> <ul style="list-style-type: none"> • Castleford Growth Zone • Dewsbury Riverside Urban Extension • Crosland Moor • Bradley Garden Village |

| CATEGORY | AIMS | CRITERIA | Proposed SPAs |
|---------------------------|--|--|---|
| | | | Regeneration <ul style="list-style-type: none"> • Shipley • Keighley • Dewsbury • Batley • Todmorden • Brighouse • Five Towns (Castleford, Normanton, Featherstone, Pontefract, Knottingley) • Elland |
| Future Growth Location | <ul style="list-style-type: none"> - Potential areas / sites which may be suitable for strategic development that are not currently included in Development Plans. - Locations suitable to accommodate larger scale strategic development. | <ul style="list-style-type: none"> - Future growth locations are emerging priorities not currently allocated in Local Plans. - Individual site allocations or clusters of sites with a capacity of >1000 units* (housing or) or > 15 ha* (employment) that are aligned with sustainable travel networks. | <ul style="list-style-type: none"> • Knottingley and Ferrybridge Growth Area • South Kirkby Urban Extension (proposed additional allocation) • Newmarket (proposed additional allocation) • Broad Cut Farm (proposed additional location) • Apperley Bridge / Esholt • Holme Wood |
| Environmental Opportunity | <ul style="list-style-type: none"> - Potential areas which offer significant opportunities to address environmental issues, increase resilience and tackle the climate emergency (for example flood risk management, carbon sequestration, net biodiversity and environmental gain, green and blue infrastructure, renewable and low carbon energy generation). | <p>Meets 2 or more of the following criteria:</p> <ul style="list-style-type: none"> - Significant areas or assets that offer an opportunity to enhance the environmental performance of the region and/or provide climate change mitigation - An asset that has great potential to help tackle the climate emergency through a) reducing carbon emissions and/or 2) helps adapt communities or businesses to a changing climate | <ul style="list-style-type: none"> • Calder Valley <p><i>Further work is required to identify other SPAs in this category. Spatial priorities are likely to emerge from progress on the Energy</i></p> |

| CATEGORY | AIMS | CRITERIA | Proposed SPAs |
|----------|---|--|--|
| | <ul style="list-style-type: none"> - Support the City Region target to achieve net zero carbon by 2038, with significant progress by 2030. | <ul style="list-style-type: none"> - Area of strategic scale - Area that would require cross boundary co-ordination or delivery to realise its full potential. - Assets that deliver more than one environmental benefit (Multi functionality – e.g. tree planting that offer direct flood protection to a high-risk area) - An environmental, social, or economic asset that is identified as being specifically vulnerable or under short term threat. - Opportunity / need for investment to maintain economic strength / increase resilience. | <p><i>Strategy, Green and Blue Infrastructure Pilot and Zero Emissions pathway work.</i></p> <p><i>Other SPAs could include:</i></p> <ul style="list-style-type: none"> - <i>Significant opportunities for peat restoration</i> - <i>Significant & multi-functional opportunities for tree planting.</i> |



| | |
|-------------------|---|
| Report to: | West Yorkshire Combined Authority |
| Date: | 10 December 2020 |
| Subject: | West Yorkshire Connectivity Infrastructure Plan: Investing in the future of West Yorkshire |
| Director: | Alan Reiss, Director Policy, Strategy and Communications |
| Author: | Steve Heckley, Policy Manager, Transport Policy and Strategy |

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

1 Purpose of this report

- 1.1 For the Combined Authority to note the work so far and the next steps including commencement of an engagement on the Connectivity Plan and associated documents, in January 2021.

2 Information

Background

- 2.1 In 2017, the Combined Authority adopted the West Yorkshire Transport Strategy 2040, setting out our policy framework for improving transport. The transport Connectivity Infrastructure Plan is an extension of this, setting out a delivery plan and long-term pipeline of transport infrastructure improvements to improve connectivity in our region.

Context

- 2.2 A modern, integrated transport system is essential for an economy to flourish and communities to thrive. West Yorkshire is a significant and growing economy. Yet for it to fulfil its full potential as a major player in the Northern Powerhouse, and to support decarbonisation of the economy, our region

needs a transformation in its transport system – to one that is fit for the 21st Century.

- 2.3 This plan sets out a long-term transport infrastructure investment programme for the next 20 years, providing a spatial picture of where improvements are most needed to stimulate inward investment and improve people’s quality of life, building on our key growth areas within the region.
- 2.4 Our cities and towns have out-grown our transport system. Our reliance on the car is damaging business, the environment and the health of residents. Our most disadvantaged communities, who have not benefited from car travel, suffer most from its impact.
- 2.5 Our evidence is clear that continuing the “business as usual” approach to transport will not enable economic opportunities to be fully realised, or effective action to be taken to decarbonise the economy.
- 2.6 The Connectivity Investment Plan moves us away from traditional transport investments and deliberately focusses on a sustainable future. It focuses on addressing three strategic challenges:
 - COVID-19 - Recession and recovery
 - Connecting Everyone - Inclusive growth and the productivity gap
 - Climate change - Decarbonising transport
- 2.7 This plan makes the case to Government for longer-term local transport budgets to deliver these improvements, including unlocking the government’s infrastructure fund linked to the West Yorkshire devolution deal. The recent Spending Round confirmed Mayoral Combined Authorities would have access to an intracity transport settlement. It is important that plans are being developed now to make the best case for that funding in preparation for when further details are announced.
- 2.8 By starting now, we can set our region on the right pathway for tackling the climate emergency and support a green recovery from COVID-19.

Scope

- 2.9 The Plan is an evidence led approach to identifying our connectivity challenges and solutions, consistently applied across the whole geography of West Yorkshire. This work is identifying a set of options for improving transport infrastructure and connectivity to be delivered up to 2040.
- 2.10 The plan covers bus, rail, cycling, walking, mass transit, digital demand responsive transport, other innovative solutions and car, with the intent to enhance economic performance by connecting all of our important places, and in doing so, help deliver inclusive growth by giving particular attention to the connectivity needs for our currently more disadvantaged and peripheral communities.

- 2.11 A series of daughter documents accompany the overarching 'working draft' West Yorkshire Connectivity Plan. These provide more in depth analysis and information around each individual mode. Their conclusions are summarised within the West Yorkshire Connectivity Infrastructure Plan:
- Mass Transit 2040 Vision
 - Rail Vision
 - Strategic Bus Network Review

Inputs to the Plan

- 2.12 The Connectivity Infrastructure Plan is informed by a range of other research, plans and case making reports:
- **West Yorkshire District Local Development Plans** - Each West Yorkshire Districts sets out, as part of their statutory land use plans: the spatial vision, scale of new development and strategy for accommodating new housing and employment growth.
 - **West Yorkshire Bus Network Reviews** - a strategic review of the core bus network across West Yorkshire has taken place. This provides a summary of the core bus network by district in 2018, and then in three future years, 2024, 2028 and 2033. The future years consider the types of interventions needed that could create patronage growth.
 - **West Yorkshire Carbon Reduction Emissions Pathways (CERP) study** - This sets out the evidence for five key sectors of the economy including Transport, and identifies options for different CO2 reduction pathways, setting timescales for action and policies that we need to implement to ensure that our target for net zero carbon by 2038 can be met.
 - **West Yorkshire Future Mobility Strategy** This sets out ways to increase travel options through new forms of transport and better integration maximising new technologies – from autonomous cars to e-scooters, digital on-demand buses services, shared transport and integrated apps for accessing services, plus innovative ways of getting the goods into our town and city centres.
 - **Local Cycling and Walking Infrastructure Plans (LCWIPS)** - developed to help the Combined Authority and partner councils prioritise investment in walking and cycling infrastructure to support everyday journeys. Phase one LCWIPs have successfully trialled new methodologies for community engagement. This approach is now being rolled out across West Yorkshire.
 - **Housing Affordability and Needs Study** exploring the relationship between housing, transport costs and accessibility to jobs, it identifies a number of disconnected places and evidence to suggest that the decentralisation of employment made possible by car travel, has not led to greater accessibility for low income households which have to make trade-offs between disposable income and transport expenditure.

- **West Yorkshire Rail Vision and Strategy** - as the first product of the Rail Strategy, the Rail Vision sets out West Yorkshire's ambition for the way in which the railway needs to serve the region, its people and businesses in the future. Beyond the Rail Vision, development of the full Rail Strategy will translate the high-level objectives, outcomes, and outputs contained in the vision into interventions across the full scope of rail policy.
 - **West Yorkshire Mass Transit** - Mass Transit is a bold new transport mode and a central component of the Connectivity Infrastructure Plan proposals. In parallel to the publication of the Connectivity plan, the vision for Mass Transit will also be published and integrated within the Connectivity Plan.
- 2.13 The options for improving connectivity will be identified in spatial plans that show which transport modes and interventions are understood to provide the most appropriate solution for a particular geography and need. Engagement on the development of the plan has been held with West Yorkshire Council Leaders and portfolio holders to gather feedback on the analysis of evidence and the identification of options for improving connectivity.
- 2.14 To help quantify the scale of the challenge to meet net-zero carbon, the West Yorkshire Carbon Emission Reduction Pathways (CERP) evidence base assessed the five key sectors of Transport; Buildings; Power; Industry; and Land-use and Agriculture and demonstrate the ways in which the climate emergency could be addressed, and the target met. It identifies that:
- Transport is the largest carbon emitting sector in West Yorkshire; and
 - Transport emissions are dominated by road transport and private vehicle use, with road transport contribution over 90% of transport emissions
- 2.15 Experience has shown in recent years that delivering improved public transport infrastructure alone has not translated to a step change in public transport patronage; a reduction in carbon, particularly on bus; or a reduction in car congestion. Alongside the development of the Connectivity Infrastructure plan, careful consideration of car policies which could complement the infrastructure proposals will be needed, in order to meet the net zero carbon targets.

Next steps

- 2.16 The plan documentation is in the final stages of drafting and is being prepared to enable engagement on the connectivity plan, and accompanying daughter documents (Mass Transit vision, Rail Vision and Bus Network Reviews) to commence in early January 2021. The next steps would be:
- **January 2021 – March/April 2021:** Period for public and stakeholder engagement
 - **May – June 2021:** Analysis of responses to the engagement
 - **Summer 2021:** Re-shape plan's interventions and priorities following engagement

- 2.17 A public engagement and communications plan is being developed which will include key performance indicators. The aim is to seek feedback on the work so far and to help inform the next stages of development. The Connectivity Plan and its daughter documents will be hosted on the Your Voice pages of the Combined Authority website. As is consistent with other engagements, engagement on the plan will be mainly carried out digitally. The Combined Authority will also monitor responses by district and by protected characteristics during the engagement period so promotion of the engagement can be targeted as needed.

Alignment with local transport strategies

- 2.18 Transport Strategy 2040 represents the statutory requirement placed on the Combined Authority as the West Yorkshire Local Transport Authority to produce a Local Transport Plan setting out the policy framework and overarching strategy for improving transport. The Connectivity Infrastructure Plan is a delivery implementation plan for Transport Strategy 2040. The Transport Strategy and the Connectivity Infrastructure Plan have been developed with the input of each of the five partner councils and both reflect the partner councils' growth plans and priorities for investment. The partner councils can also produce non-statutory plans setting out transport strategy for their own district, providing more locally specific details. The current status with the partners' transport strategies is shown in Table 1 below:

| Table 1. West Yorkshire authority Transport Strategies | | | | | |
|---|------------------------------|---|-----------------------|---|------------------|
| Authority | Statutory requirement | Strategy title | Period covered | Status | Published |
| West Yorkshire | Yes | Transport Strategy 2040 | 2020-40 | Approved by the Combined Authority | 2017 |
| Bradford | No | tbc | tbc | In development | tbc |
| Calderdale | No | Calderdale Transport Strategy 2016 - 2031 | 2016-31 | Approved by Calderdale Council | 2016 |
| Kirklees | No | tbc | tbc | Early scoping moving to development early 2021 | tbc |
| Leeds | No | Connecting Leeds Transport Strategy | 2020-30+ tbc | Engagement planned for Jan 2021 Working towards Final Draft published in summer 2021 | 2021 tbc |
| Wakefield | No | Wakefield District Transport Strategy and Implementation Plan | 2011- 26 | Approved by Wakefield Council | 2012 |

- 2.19 Leeds City Council is currently developing its Connecting Leeds Transport Strategy for initial engagement commencing in early 2021 (- date to be confirmed) which will coincide with the publication of, and engagement on the, West Yorkshire Connectivity Infrastructure Plan and daughter documents. The Connecting Leeds Transport Strategy is expected to align with the Connectivity Infrastructure Plan, Mass Transit Vision and other documents and for engagement on the Leeds City Council and Combined Authority documents to be coordinated.

3. Clean Growth Implications

- 3.1 The work described in this report is central to ensuring that the transport sector can play a full part in the region making a green recovery from the Covid-19 pandemic and decarbonising the West Yorkshire economy by 2038, whilst providing the connectivity improvements that will help to ensure inclusive growth.

4. Inclusive Growth Implications

- 4.1 The work described in this report is focused on those communities of greatest economic need within the region and providing the connectivity improvements that will help to ensure inclusive growth.

5. Financial Implications

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

6. Legal Implications

- 6.1. The West Yorkshire Combined Authority is the Local Transport Authority for West Yorkshire. As the Local Transport Authority, the Combined Authority has the legal responsibility to produce and maintain a Transport Strategy for the region.
- 6.2 In 2017, the Combined Authority adopted the West Yorkshire Transport Strategy 2040, setting out our policy framework for improving transport. The transport Connectivity Infrastructure Plan is an extension of this, setting out the spatial delivery plan and long-term pipeline of transport infrastructure improvements to improve connectivity in our region.

7. Staffing Implications

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

8. External Consultees

- 8.1 District partners have been engaged in producing the Connectivity Plan. Workshops on various topics were held with Transport Committee Members.

The report identifies proposals for engagement on the West Yorkshire Connectivity plan and long term investment pipeline.

9. Recommendations

- 9.1 That the Combined Authority endorses in principle the commencement of an engagement on the Connectivity Plan and associated documents, in January 2021.

10. Background Documents

- 10.1 Rail Vision and Bus Network Review were considered at Transport Committee and can be found here:

<https://westyorkshire.moderngov.co.uk/documents/s17801/Item 9 - Appendix 1 West Yorkshire Strategic Bus Network Review.pdf>

<https://westyorkshire.moderngov.co.uk/documents/s17803/Item 10 - Appendix 1.pdf>

11. Appendices

- 11.1 None

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Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: **Comprehensive Spending Review**

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

Author: Liadan Buggy, Policy Officer

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

1. Purpose of this report

- 1.1. To provide the Combined Authority with information on the Comprehensive Spending Review (CSR) following the announcement by Government on 25 November 2020.

2. Information

Background

- 2.1. In September 2020, the Combined Authority submitted a representation to the CSR which built on the Economic and Transport Recovery Plans for West Yorkshire. Recognising the significant impact of COVID-19 the CSR submission focused mainly on what is needed to realise a recovery that will deliver on 'Levelling Up', supporting the national recovery, and outlining the 5-year priorities for rescuing, re-imagining and resilience of the West Yorkshire economy and its transport network.
- 2.2. The Treasury's CSR announced 25 November 2020 was set for one-year only, 2021-22. For the Combined Authority this shortened timescale provides focus on the priorities of rescuing and re-imagining; what we can act on now and begin to set as future aspirations. Longer term resilience and how we

deliver future prosperity are opportunities to evolve from updated forecasting following this CSR.

Government's Comprehensive Spending Review: 25 November 2020¹

- 2.3. The Government announced that the CSR focus is on the priorities of:
- Protecting people's lives and livelihoods providing the support they need to get through Covid
 - Making good on the Government's promise to deliver strong public services by investing in schools, hospitals, safer streets and more
 - Delivering record investment plans in infrastructure to level up and spread opportunity across the United Kingdom.
- 2.4. A high-level summary of the Chancellor's CSR announcements and the Office for Budget Responsibility's forecast is in Appendix 1 to this paper.

What the announcement didn't include

- 2.5. While there was no mention of **mayoral capacity funding or funding for LEPs and Growth Hubs**, we understand that this may continue although the quantum is unclear. Further information will be provided when it is available. Also, there was no extension to the Local Growth Fund announced last year by Government.
- 2.6. The Chancellor's announcement did not specifically respond to
- regional recovery plans
 - specific major infrastructure projects
 - further education reform
 - job creation
- 2.7. There was also no additional detail on the Prime Minister's ten-point plan 'Green Industrial Revolution' announcement made on 18 November 2020:
- Build on the £1bn energy innovation fund
 - £5bn for alternative greener ways of travel
 - £5.2bn to create new flood and coastal defences in England by 2027
- 2.8. While preparations for the end of the Transition Period are mentioned, there was no mention of any additional support being available for businesses in the event of a no-deal exit.

What this means for our Economic Recovery Plan Action Areas:

- 2.9. Although the CSR did not directly reply to regional submissions, there may be opportunities to fund some of the priorities detailed in the Economy Recovery Plan. They were structured in three action areas of Good jobs & resilient

¹ Spending Review 2020: <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020#fn:97>

businesses, Skills & training, and, Accelerated infrastructure. The next section explains how the announcements could support these priorities. However, as there was no announcement of additional funding for local economic recovery plans, proposals will be brought forward about priorities for funding the plans from local devolved funding where available.

‘Good jobs & resilient businesses’, and ‘Skills & training’

Shared Prosperity Fund

- 2.10. The UK **Shared Prosperity Fund** will seek to tackle inequalities between communities by raising productivity, especially in those parts of the country whose economies are furthest behind and replace the current European Structural and Investment Funds (ESIF).
- 2.11. The CSR announcement included government’s continued commitment to eventually matching current ESIF funding levels, on average reaching around £1.5bn per year, but the actual funding profile will be set out in the next spending review. There is no confirmed start date (although 2022 is implied) or confirmation of what period the fund will operate over. The CSR contains a ‘Heads of Terms’ indicating that a proportion of the fund will target places most in need, such as ex-industrial areas, deprived towns, and rural and coastal communities. There will be a framework for investment published in Spring 2021.
- 2.12. The advance announcement on UKSPF in the CSR was that there will be £220m additional funding 2021-22 to help local areas prepare for the introduction of the UKSPF by piloting programmes and new approaches. Further details will be published in the new year.
- 2.13. There is no indication as to what level the UK-wide fund will operate at (e.g. Local Authority, LEP, Mayoral Combined Authority, or other), but places receiving funding will be asked to agree specific outcomes to target within the UK-wide framework.

Employment and Skills

- 2.14. The announcement included a new £4.3 billion package for the Department of Work and Pensions, which includes a new £3 billion **Restart programme** over 3 years to help 1 million people who have been unemployed for more than 12 months find work. It also includes £1.3 billion to increase capacity in job centres. **National living wage** will increase by 2.2% to £8.91 per hour extended to those aged 23 and over from April 2021.
- 2.15. To improve **skills** in the economy and level up productivity, there is a provision announced in the CSR of £291 million for Further Education in 2021-22, and an investment of £375 million from the National Skills Fund in 2021-22 which will provide traineeships and support to build skills with greater

flexibility for adults to study technical and academic qualifications for up to 4 years across their lifetimes, allowing for retraining. £2.5 billion of funding will be made available for Level 3 qualifications for adults in skills valued by employers: apprenticeships and further improvements for employers.

- 2.16. Spending in schools will increase by £2.2 billion, with a commitment to bring Further Education college estates in England up to a 'good' condition by providing £1.5 billion over six years. There will be additional funds to 'catch-up' learning and £220 million winter food fund in response to Covid.

'Accelerated infrastructure'

Levelling up

- 2.17. The Chancellor announced a new '**Levelling up fund**' worth £4 billion to invest in local infrastructure that has a visible impact on people and their communities, and to support economic recovery through a broad range of high value projects up to £20 million (or more by exception). It is expected that the fund will be open, via a competitive process, to all local areas in England and bids will be prioritised based on driving growth, regeneration need, challenges and historic levels of government investment. The government will publish a prospectus for the fund and launch the first round of competitions in the New Year.

National Infrastructure Strategy

- 2.18. The CSR announced the commitment to publish a new National Infrastructure Strategy and establish a new **National Infrastructure Bank** headquartered in the North of England to finance major new infrastructure projects across the UK. This will start in the Spring, but the location of the bank was not announced.
- 2.19. Capital spending on infrastructure 2021-22 will be £100 billion, which is £27 billion more in real terms than 2020-21. The announcement on this included a renewed commitment following previous announcements to deliver **faster broadband** for 5 million premises across the UK. There was also a commitment to deliver better mobile connectivity with 4G coverage increased to 95% of the country by 2025.

Green Industrial Revolution

- 2.20. On 18 November 2020, the Prime Minister outlined a ten-point plan for a Green Industrial Revolution to tackle climate change, whilst creating and supporting up to 250,000 jobs². The ten-point plan, and announced new investment to deliver on six points of the plan (carbon capture, hydrogen, nuclear, electric vehicles, homes and public buildings, and greener maritime)

2 PM outlines his Ten Point Plan for a Green Industrial Revolution for 250,000 jobs:
<https://www.gov.uk/government/news/pm-outlines-his-ten-point-plan-for-a-green-industrial-revolution-for-250000-jobs>

builds on investment announced 2019-20 which included £1 billion energy innovation fund, £5 billion for alternative greener ways of travel, and £5.2 billion to create for new flood and coastal defences in England by 2027.

- 2.21. The CSR announced a priority of investment to **transition to zero emission vehicles**, including £1.9 billion for charging infrastructure and consumer incentives. There is also £1 billion for a **Carbon Capture and Storage Infrastructure Fund**, and additional investment in low hydrogen carbon production, offshore wind, and nuclear power. It also provides £1.1 billion to make homes and buildings net zero-ready.

Transport

- 2.22. Continued contributions to public transport support the Covid response includes £2 billion confirmed funding for **rail services** in 2021-22, which builds on the estimated £12 billion of support the government already committed to provide for transport services in 2020-21. There is almost £19 billion in transport investment next year, including £1.7 billion for **local roads maintenance** and upgrades to tackle potholes, relieve congestion and boost connectivity. This is a confirmed investment of over £58 billion for road and rail transport between 2021-22 and 2024-25.
- 2.23. Over £2.5 billion has been confirmed for eight city regions across England for 2022-23, maintain the government's commitment of £4.2 billion for five-year consolidated intracity transport settlements, subject to appropriate governance being in place. This includes West Yorkshire, as agreed through the devolution deal.
- 2.24. The Department for Transport settlement also includes almost £2 billion in **electric vehicle charging** infrastructure, and grants for zero and ultra-low emission vehicles until 2024-25. This includes funding that will support the rollout of **rapid charging hubs** at every service area on England's motorways and major A roads.

Buses

- 2.25. In addition to the continued public transport support contributions (above) it was announced that £300 million will be allocated in 2021-22 to drive transformation of bus services. £120 million in 2021-22 will complete the first All Electric Bus Town in combination with the Department for Transport's existing commitment, and will support the delivery of over 800 cleaner, greener, quieter zero emission busses.
- 2.26. While not finalised, it is understood that devolution of recovery funding could be possible to Mayoral Combined Authorities, and that the Department for Transport are encouraging 'recovery partnerships' between transport authorities and bus operators. Further details are awaited.

Local Government Funding

- 2.27. The CSR announcement included funding announcements for Local Government of:
- £3 billion in support for meeting Covid pressures
 - £254 million of funding to tackle homelessness and rough sleeping

3. Clean Growth implications

- 3.1. The CSR announced priority investments on incentivising zero emission vehicles use and the necessary supportive infrastructure, carbon capture and storage, and additional investments in low carbon energies (see 2.19). These announcements could support the Combined Authority's Clean Growth ambitions to becoming a net zero carbon economy by 2038, with significant progress by 2030. There are, however, no immediate implications on Clean Growth arising as a direct result of this report.

4. Inclusive Growth Implications

- 4.1. The CSR announcement of the 'levelling up fund', UK SPF, and announcements on support for employment and skills could support the Combined Authority's Inclusive Growth ambitions (see 2.8-15). There are, however, no immediate implications on Inclusive Growth arising as a direct results of this report.

5. Financial Implications

- 5.1. There are no immediate financial implications as a direct result of this report. The implications of the Comprehensive Spending Review funding provisions will be subject to future reports.

6. Legal Implications

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

7. Staff implications

- 7.1. There are no staffing implications arising from this report.

8. External Consultees

- 8.1. No external consultations have been undertaken.

9. Recommendations

- 9.1. To note the elements of the Spending Review as they may be seen to align with the Combined Authority's economic recovery priorities.

10. Background Documents

- 10.1. Economic Recovery Plan: <https://www.westyorks-ca.gov.uk/media/4413/draft-west-yorkshire-economic-recovery-plan-v8-to-sept-ca.pdf>
- 10.2. CSR submission summary: <https://westyorkshire.moderngov.co.uk/documents/s17612/Item%208%20-%20Comprehensive%20Spending%20Review.pdf>

11. Appendices

- 11.1. Appendix 1: Summary of CSR announcements and Office for Budget Responsibility's forecast

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Item 10: Appendix 1 - Summary of Comprehensive Spending Review announcements

Headlines aligned to the Government's three priorities:

- 1) *To protect people's lives and livelihoods providing the support they need to get through Covid*

Covid response

- £280bn spent on pandemic response since March
- This includes £38bn for funding of public services, with an additional £55bn forecast for 2021/22
- £3bn to the NHS recovery (checks, scans and operations)
- £2bn for transport and subsidising the rail network
- £3bn to local councils
- £250m to end rough sleeping
- £840m on Eat Out to Help Out – 68% over forecast

Growth and borrowing

- OBR forecast 11.3% contraction in the economy in 2020 – biggest decline in three centuries
- Growth of 5.5% in 2021 and 6.6% in 2022, before returning near to pre-crisis trend
- Economic output level won't recover to pre-crisis levels until Q4 2022
- Deficit will be £394bn this year – highest recorded in peacetime history – and will remain at about £100bn+ for remainder of forecast
- Predicted peak of unemployment at 7.5%, and expected to be at 4.4% by end 2024
- The OBR forecast is still based on an assumption of a free trade agreement from January. However, it presents analysis of a WTO scenario in the annex, which reduces output by 1.5-2% each year over the forecast horizon, and is helpful in understanding risks and potential sectoral impacts.

Public sector pay and Living Wage

- No public sector pay rises next year, apart from NHS staff and those earning below the median wage (£24,000) who will receive at least £250
- Main National Living Wage rate will increase 2.2% to £8.91p/h and extend to those aged 23 and over from April 2021.

- 2) *To make good on our (Govt's) promise to deliver strong public services by investing in schools, hospitals our police force and more*

Departmental spending

- Departmental spending of £540bn day-to-day will rise by 3.8% - with departmental budgets increasing by £14.8bn
- The Chancellor has cut departmental budgets for non-Covid ("core") spending by £10bn next year, relative to the March 2020 budget
- £6.6bn increase to health budget
- £2.2bn increase to schools, year on year increase of at least 2% to get £7.2bn by 2022/23

- £291m for further education: £1.5bn over six years for college estates, extended traineeships and improving apprenticeships for businesses
- Increase to Local Authorities core spending power of 4.5% with extra flexibility for council tax and adult social care precept
- Access to an extra £1bn on top of the £1bn social care grant, which will be maintained
- The Government will match EU funding for regional development after Brexit (£1.5bn annually)
- £1bn increase for safer streets, with police officer recruitment and £4bn over 4 years for new prison places
- 0.5% of GDP for overseas aid: £10bn in this spending round. The intention is to return to 0.7% when the fiscal situation allows
- £24bn funding for defence over next 4 years

3) *To deliver our (Govt's) record investment plans in infrastructure to level up and spread opportunity across the United Kingdom. Our plan is to deliver the highest sustained levels of government investment in almost half a century*

Levelling up/Infrastructure

- Infrastructure investment to total £100bn next year
- New £4bn Levelling Up fund for local areas. Bids to the Treasury, Department for Transport, and Department for Communities and Local Government to create a holistic, place-based approach on projects which demonstrate impact, can be delivered and command local support
- £7.1bn national home building fund on top of affordable homes plan
- £15bn for research and development
- To finance and establish a new infrastructure bank located in the North

The **Office for Budget Responsibility** (OBR) now forecast that the UK economy will contract by 11.3% this year, then return to growth, with output increasing by 5.5% and 6.6% in 2021 and 2022 respectively, before growth then returning close to pre-crisis levels. The economy will not recover to its pre-pandemic levels until Q4 2022, and will still be 3% smaller than its March forecast by 2025. To note:

- Forecasts assume the UK will secure a trade deal with the European Union.
- Failure to secure a deal would reduce output by 2% initially (short-term disruptions), and 1.5% thereafter (due to lower productivity and weaker business investment).
- It also assumes successful rollout of a Covid vaccine, but restrictions remain in place through the Spring
- There is an expected peak of unemployment at 7.5% in Q2 2021 (downside scenario peak of 11% and upside scenario peak at 5%)

Total public spending is forecast to rise by 16.4% of GDP in 2020-21 to 56.3%, the highest recorded in peacetime history. This spike is expected to reduce next year as Covid-related spending drops, and as GDP starts to recover, but public spending will remain elevated. Public spending levels will fall back further in 2022-23 (as Covid-related departmental spending falls back to zero), and more slowly thereafter (as unemployment falls).



Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: **Draft business plan and budget 2021/22**

Director: Angela Taylor, Director, Corporate Services

Author(s): Jon Sheard, Head of Finance

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

1. Purpose of this report

- 1.1 To provide West Yorkshire Combined Authority with the draft corporate business plan on a page and the proposed draft revenue and capital budget for 2021/22.

2. Information

- 2.1 2021/22 presents one of the most challenging years for budget setting for public bodies. The continuing impact of the Covid-19 pandemic, the need to address the economic downturn and to support residents and businesses is putting increasing pressure on expenditure as revenues are falling. The picture is a national one, with funding uncertainties continuing – the fair funding review and move to 75% business rates retention has been deferred again, alongside any longer term financial settlement, leaving local authorities uncertain of the future. At the same time the future funding model for combined authorities remains unclear.
- 2.2 At the previous meeting, the Combined Authority considered the position with regard to the medium term financial strategy and in particular the development of the 2021/22 proposal. As previously reported, the development of next year's business plan and associated budget is particularly challenging due to a

number of strategic factors where there still remains significant uncertainty. These include the ongoing preparatory work to the Mayoral Combined Authority model, continued response to the Covid-19 pandemic, preparing for the EU exit and the ending of the current Growth Deal.

- 2.3 Whilst work has been underway to define the impact of the challenging operational priorities for 2021/22, further work will continue between now and the February 2021 meeting where budgets and plans will be formally approved. The report today provides the Combined Authority with the latest 'draft' position for 2021/22.
- 2.4 The budget will be accompanied by business plans for each directorate that 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, tackling the climate emergency and delivering 21st century transport. These four are used to guide and direct the allocation of budget resources and for 2021/22 also have to be considered in the light of the Covid-19 recovery, the EU exit and becoming a mayoral combined authority. Each plan is also being summarised as an individual plan on a page with an overarching corporate plan on a page – this corporate summary is attached as a draft at **Appendix 1**.
- 2.5 Work to deliver a balanced budget is progressing under scrutiny and engagement with appropriate committees, partners, including Directors of Finance and public engagement is being planned using the yourvoice portal. All this work is being overseen by the member Budget Working Group. The need to both achieve and demonstrate efficiency, effectiveness and value for money remains core to the approach being taken, alongside minimising impact on front line services to the public and businesses.
- 2.6 The 2021/22 business plans produced by each directorate reflect a focus on addressing the challenging, strategic factors and priorities mentioned earlier, whilst continuing to deliver services as effectively as possible. With limited opportunities to generate income and the ongoing squeeze on public sector finance exacerbated by Covid-19 it is clearly not possible at this point to set a budget that enables delivery of all elements of the business plan, or indeed to support the breadth of work that comes with being an MCA.

Revenue budget 2021/22

- 2.7 In November, a potential £6.5 million deficit position was reported, whilst recognising that further work would be undertaken. In parallel with the business planning work, further work has been undertaken on the detailed budget for 2021/22. The process is seeking to ensure that the detailed business priorities are clearly linked to achievable budgets and directly support the organisation in delivering its overarching corporate priorities.
- 2.8 The draft baseline revenue budget for the Combined Authority and the LEP is attached as **Appendix 2** and at this point shows an unbalanced position for 2021/22 of £3 million, with some of the key headlines covered in paragraph

2.11. Members are asked to note and comment on the progress made to date, in recognition that further work is needed between now and when the budget is approved in February 2021.

- 2.9 In terms of the changes brought about by any additional responsibilities and functions of the new mayoral combined authority at this stage the draft budget, under the row 'Mayoral office', includes the costs of the mayoral election and a placeholder for a mayoral office and associated functions. However, it is evident that existing resources are insufficient to meet the wider demands of delivering the MCA agenda and operational requirements. Work with local authority partners highlights the capacity gaps faced by them and the Combined Authority in seeking to support the scale of change needed in the region. In addition to corporate requirements, policy gaps have already been identified for example on both culture and climate change, and the emerging work on scrutiny arrangements is likely to require further resource. Work is underway to align the opportunity provided through devolution of the Single Investment Fund, and the gainshare that will form part of it, with the recovery and capacity needs in the region.
- 2.10 In setting its budget the Combined Authority recognises the difficult decisions being made by its local authority partners in order to provide a balanced budget. The focus in the Combined Authority on value for money must continue and previously agreed savings and reductions built into the baseline for 2020/21 will continue going forward, along with additional savings being identified.
- 2.11 Some of the key assumptions were detailed in the November 2020 update and will be covered again in the final budget approval report in February 2021. However, the following key headlines are provided:
- i. All directorates have reviewed their budgets and aligned with the proposed business plans for 2021/22, seeking to lead to net reductions in delivery costs where possible. There are currently gaps between the work required to be delivered and the resources needed to do this which are being further explored. In putting together budget submissions directorates within the Combined Authority are again reviewing costs and maximising income where possible. These actions have previously resulted in a range of efficiencies and savings each year that have contributed to the Combined Authority previously being able to present a balanced budget proposal.
 - ii. Budget estimates have been included for the costs related to being a Mayoral Combined Authority, including final costs of preparing / running the election which go beyond 31st March 2021 at £1.6 million and initial £500k estimate for the Mayor's Office. It is proposed that the £250k Mayoral Capacity Fund is used to meet these costs and the £1.85m balance funded from the £28.5 million revenue 'gainshare' allocation for 2021/22. It is unclear from the Comprehensive Spending Review whether the mayoral capacity funding will continue and at what quantum.

- iii. It is currently assumed that costs for subsidised bus services and concessionary fares will be largely at the levels previously set, other than, at this stage, a previously planned target reduction of £400k which is still under review in the context of the national pandemic. Department for Transport have recently updated their guidance with regard to statutory concessionary reimbursement, with a clear direction to transport and combined authorities to continue making payments to bus operators at pre-covid levels to support the recovery of the bus industry. This therefore means that any reduction to the transport levy is challenging and it must be assumed that the levy remains unchanged at £92.2 million (for revenue purposes).
 - iv. A range of legacy funding will continue or be extended as previously expected, however it should be noted that assurances have yet to be received from Government on these funds.
 - v. Income levels are not expected to recover to pre pandemic levels for some time and a range of the budget estimates have been adjusted to reflect this.
 - vi. On capitalisation, revenue costs are being reviewed to ensure they reflect the support provided to the delivery of the substantial capital programme, which now represents two thirds of all funding received by the Combined Authority which may enable recovery of a higher sum.
 - vii. Pay inflation estimates will be reviewed in light of government announcements on public sector pay, though currently the budget includes 2% inflation.
 - viii. Revised estimates will be provided once these matters become clearer and once the Order had been laid.
 - ix. For 2021/22 revenue budget costs and funding have been included for the Brownfield Housing development of £2,950,000 in 2021/22. A verbal agreement has been provided by MHCLG and we await the formal written agreement.
- 2.12 There are a significant number of risks and challenges that remain for 2021/22, including the recovery from the national pandemic, actions that may be required to respond to the UK bus operations, the uncertainty around funding for skills and business support and the impact of Brexit. In addition to these a number of resource requirements are included in the business plans that are currently unfunded, including additional support to scrutiny and delivery of the Economic Recovery plan.
- 2.13 A risk based review of the forecast level of general reserves and what is required is underway and will be brought to the next meeting.

Revenue budget beyond 2021/22

- 2.14 The focus of the budget update today is on 2021/22, however estimates will be brought to the February 2021 meeting for the following two years, to provide a medium term perspective on the financial position. Members should note however that these longer term estimates will require further review / revision due to the high level of uncertainties we are presently facing.

Capital budget

- 2.15 Work continues on the capital budgets, with a particular focus on the challenges of achieving expenditure on key programmes – Leeds Public Transport Investment Programme and Growth Deal, both of which are due to spend in full by March 2021. The programmes are being reviewed to ensure all funding is maximised, any risks of not delivering by this date are mitigated and to understand the risks around the timing of individual projects which may result in commitments beyond the funding availability. A final three year capital programme and any projected borrowing costs will be included as part of the budget approval process in February 2021.
- 2.16 **Appendix 3** sets out the latest draft forecast budget for capital expenditure and funding by programme for up to 2023/24. These figures are indicative at this stage and will be revised further for February 2021, including revised estimates for any borrowing requirements.
- 2.17 As reported in November, much of the current Growth Deal funding which makes up the largest element of the capital funding available concludes in 2021 and the programme is on track to deliver to this timescale. There is an ongoing income stream beyond this date of £30-48 million per annum for the West Yorkshire plus York Transport Fund, to be supplemented by borrowing in accordance with the original City Deal.
- 2.18 Other programmes that have commenced in 2020/21 and continuing into 2021/22 and beyond include Brownfield Housing, Getting Building Fund and Transforming Cities Fund (TCF), the latter having a previously agreed commitment from the Combined Authority to fund the ‘high’ scenario’s subject to being assessed through the Assurance Framework process.
- 2.19 Further work / development of the capital programme relates to the policy work currently underway that is developing the devolution secured Single Investment Fund and selecting the programmes of work for investment. As a reminder, members should note the previous commitment to fund the ‘high’ scenario for the Transforming Cities Programme, circa £138m estimated in total and the recent indicative approval of £13.5m gainshare for COVID-19 recovery, for the extension of the existing Reboot and the Employment Hub projects. Further use of gainshare in the context of the Single Investment Framework and options to advance recovery work will be brought to the February meeting of the Combined Authority.

Revenue Budget 2020/21 - revision

- 2.20 As mentioned earlier and as part of the devolution deal announced in March 2020, a total revenue allocation of £3.2 million was provided for the development of housing pipeline schemes. A funding profile has been verbally agreed with MHCLG and means that £250k is due to be spent in the current year 2020/21.
- 2.21 It is recommended that the Combined Authority approve additional revenue spend of £250k in 2020/21 based on this verbal funding agreement, and subject to the formal confirmation, which is expected to be received in writing before today's meeting.

Summary

- 2.22 Members are asked to consider the proposed draft budget and provide any input into the final version of both the business plan and budget that will be brought to the February 2021 meeting. The treasury management strategy will accompany the paper, having first been considered by the Governance and Audit Committee in January 2021.

3 Clean Growth Implications

- 3.1 Tackling the climate emergency objectives and priorities are included in the draft business plans, and the budgets seek to include where possible resource to address this work.

4. Inclusive Growth Implications

- 4.1 Inclusive growth objectives and priorities are included in the draft business plans, and the budgets seek to include where possible resource to address this work.

5. Financial Implications

- 5.1 As set out in the report.

6. Legal Implications

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

7 Staffing Implications

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

8. External Consultees

- 8.1 No external consultations have been undertaken. Information on the budget position is being shared with members of the public.

9. Recommendations

- 9.1 That the Combined Authority consider the draft business plan and revenue budget proposals for 2021/22 and draft capital budget and provide any further input to them.
- 9.2 That the Combined Authority approve additional Brownfield Housing revenue spend of £250k in 2020/21, subject to receiving the formal confirmation from MHCLG.

10. Background Documents

- 10.1 None.

11. Appendices

- 11.1 Appendix 1 – Draft business plan for 2021/22
- 11.2 Appendix 2 – Draft revenue budget
- 11.3 Appendix 3 – Draft capital budget

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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

Boosting Productivity

Helping businesses to recover from the Covid-19 pandemic and helping people find and retain good jobs in a post-Brexit landscape.

Enabling Inclusive Growth

Enabling as many people as possible to contribute to, and benefit from, economic growth, especially those disproportionately affected by the Covid-19 pandemic.

Delivering 21st Century Transport

Ensuring our transport network recovers to provide the services that people need, while laying the foundations for future improvements.

Tackling the Climate Emergency

Ensuring a green recovery and accelerating our plans for a net zero carbon economy by 2038 at the latest.

Ensuring Effective and Efficient Policing

Support the Mayor/Deputy Mayor to secure an efficient and effective police service for West Yorkshire.

Delivering Efficiently

Empowering the region by delivering the devolution deal and driving efficiencies in our operations.

Objectives

(What we want to achieve in 2021-22)

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1. Implement the Covid Economic Recovery Plan and respond to the challenges/opportunities of Brexit, providing intensive support to businesses.
2. Ensure successful commissioning and delivery of Adult Education Budget services.
3. Support people to access employment or re-train, through Employment Hub, [re]Boot & Future Goals programmes.
4. Implement new investment and placemaker funds with a focus on start-ups & scale-ups post-Covid.
5. Broker employment/apprenticeship opportunities to aid recovery through Schools Partnership, Skills for Growth & Levy Transfer Services.
6. Support delivery of 187,500 square feet of commercial space through the Enterprise Zones programme.

1. Focus on reducing inequalities in our communities, including those caused by the Covid pandemic, across all our services/functions.
2. Improve attainment and ambition among our most disadvantaged young people, working closely with schools/colleges to aid recovery.
3. Expand affordable ticketing to under 25's, jobseekers and those without bank accounts, reducing inequalities heightened by Covid.
4. Enable older and disabled people to access free/discounted travel.
5. Fund socially necessary bus services, safeguarding community connectivity in a post-Covid funding environment.
6. Deliver superfast broadband premises in disadvantaged areas.

1. Work with partners to rebuild confidence in public transport and ensure it is fit for purpose post-Covid.
2. Lead work on bus reform to drive up standards of bus travel, ensuring passenger safety post-Covid.
3. Answer over 1 million travel enquiries and improve passenger information including on-street real time displays.
4. Influence Government on major strategic rail investment including HS2 and Northern Powerhouse Rail.
5. Further develop mass transit proposals for West Yorkshire.
6. Continue delivery of transport infrastructure projects/programmes to promote sustainable travel choices.
7. Enhance the MCard mobile app and adapt Travel Centres to offer new products for a changed market.

1. Ensure a green recovery from Covid and accelerate plans for a net zero carbon economy by 2038 at the latest.
2. Deliver a programme of carbon and waste reduction initiatives at all Combined Authority facilities.
3. Provide support and advice to businesses to help them to introduce energy efficiency measures.
4. Support businesses to implement sustainable travel plans through the Travel Plan Network.
5. Enable further low carbon schemes to be supported by the Energy Accelerator.
6. Implement the Connectivity Strategy and pipeline, promoting active & decarbonised travel.

1. Oversee progress against the Police and Crime Plan, ensuring proactive monitoring and transparent reporting.
2. Commission targeted services to increase community safety and support victims of crimes, ensuring these demonstrate value for money.
3. Work with community safety and criminal justice partners to ensure joined up local priorities.
4. Provide strategic financial oversight to ensure appropriate use of the policing budget and to address the financial implications of the Covid pandemic.
5. Ensure meaningful and inclusive community engagement on policing and crime issues.

1. Embed the new Mayoral Combined Authority model and decision making arrangements to drive better local outcomes.
2. Integrate the Office of the Police and Crime Commissioner into the organisation, with a focus on effective service delivery.
3. Improve diversity both within our organisation and in terms of the services we provide.
4. Influence the shape & size of future regional funding and secure additional powers for the region.
5. Embed the new Single Investment Fund.
6. Implement an enhanced Assurance Framework, ensuring robust appraisal of projects and programmes funded by the Combined Authority.

Enablers

(What will help us)

Our people

Improve diversity in our workforce.
Embed our values to drive culture change.
Integrate OPCC colleagues, harnessing their skills and expertise.
Embed flexible working practices post-Covid.
Refresh corporate learning & development.

Our partnerships

Further strengthen partnerships with our Local Authorities and other local stakeholders, to improve ways of working under the devolved model.
Embed a consistent regional voice to contribute to national debates.

Our systems

Digitising key processes to improve efficiency.
Achieve the highest standards of governance and transparency under the MCA model.
Integration of OPCC systems and processes.
Strengthen appraisal and evaluation across our capital portfolio.

Our resources

Realise the benefits of the refurbished Wellington House for staff and partners.
Embed new technology to improve efficiency, reduce carbon and support inclusive growth.
Rigorous financial management to meet the implications of the Covid recovery.

Our Values

- Working together
- Working intelligently
- Championing our Region
- Positive about change
- Easy to do business with

Key risks, issues and assumptions

Long term financial implications of the Covid pandemic and associated recovery ➤ Impact of the EU exit on our businesses, our services and our supply chain ➤ Striking a balance between Covid recovery, clean growth & improved productivity ➤ Embedding the MCA model and the new partnership of the MCA and West Yorkshire local authorities

How we will measure success

Key performance indicators across all priorities, reported quarterly to the Combined Authority and LEP Board
Detailed indicators currently in development

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Agenda Item 11

Appendix 3

| Capital Expenditure (Programmes) | 2020/21 Forecast | 2021/22 | 2022/23 | 2023/24 |
|---|-------------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ | £ |
| P1 - Growing business | 13,986,690 | 0 | 0 | 0 |
| P2 - Skilled People and Better Jobs | 852,358 | 0 | 0 | 0 |
| P3 - Clean Energy | 532,499 | 0 | 0 | 0 |
| P4a - Housing and Regeneration | 15,303,540 | 0 | 0 | 0 |
| P4c - Economic Resilience | 1,570,544 | 0 | 0 | 0 |
| P4d - Enterprise Zone Development | 5,802,098 | 0 | 0 | 0 |
| Growth Deal - Other | 1,312,857 | 0 | 0 | 0 |
| Growth Deal - Economic Development | 39,360,585 | 0 | 0 | 0 |
| P4b - West Yorkshire plus Transport Fund CIP | 5,253,947 | 19,803,437 | 26,940,000 | 16,308,192 |
| P4b - West Yorkshire plus Transport Fund Rail Parking | 3,493,015 | 6,058,761 | 8,508,334 | 6,030,537 |
| P4b - West Yorkshire plus Transport Fund Station Gateway | 1,384,706 | 3,020,000 | 9,680,000 | 12,826,361 |
| P4b - West Yorkshire plus Transport Fund Transformational | 2,209,484 | 1,920,450 | 1,740,604 | 1,540,195 |
| P4b - West Yorkshire plus Transport Fund Other | 80,845,150 | 75,609,513 | 60,704,937 | 102,006,633 |
| West Yorkshire Transport Fund | 93,186,301 | 106,412,161 | 107,573,875 | 138,711,918 |
| Leeds Public Transport Investment Programme | 66,024,000 | 57,595,374 | 0 | 0 |
| Integrated Transport Block | 15,876,502 | 12,881,474 | 13,104,000 | 13,104,000 |
| Highways Maintenance / Pothole (DfT) / Challenge Fund | 50,347,000 | 29,997,000 | 29,997,000 | 29,997,000 |
| Corporate Projects | 5,158,338 | 0 | 0 | 0 |
| Broadband | 2,183,119 | 4,541,021 | 2,206,311 | 0 |
| City Connect | 1,241,436 | 0 | 0 | 0 |
| Transforming Cities (small & Core) | 21,718,050 | 113,639,929 | 280,190,501 | 42,176,320 |
| Land Release Fund & One Public Estate | 967,132 | 0 | 0 | 0 |
| Low Emission Vehicles | 617,000 | 0 | 0 | 0 |
| Getting Building Fund | 26,300,000 | 26,300,000 | 0 | 0 |
| Brownfield Housing Fund | 600,000 | 20,000,000 | 25,000,000 | 14,000,000 |
| Emergency Active Travel Fund (Revenue and Capital) | 2,513,000 | 10,053,000 | 0 | 0 |
| Other (inc. Clean Bus) | 7,152,127 | 13,000,000 | 0 | 0 |
| <i>Single Investment Fund (UNDER DEVELOPMENT)</i> | 0 | 0 | 0 | 0 |
| A - Total Capital Spend | 333,244,589 | 394,419,959 | 458,071,687 | 237,989,238 |

| Capital Funding | 2020/21 Forecast | 2021/22 | 2022/23 | 2023/24 |
|---|-------------------------|----------------------|----------------------|----------------------|
| | £ | £ | £ | £ |
| Growth Deal | (51,827,225) | 0 | 0 | 0 |
| West Yorkshire Transport Fund | (48,510,837) | (48,300,000) | (48,300,000) | (48,300,000) |
| Leeds Public Transport Investment Programme | (88,760,803) | 0 | 0 | 0 |
| Integrated Transport Block | (13,104,000) | (13,104,000) | (13,104,000) | (13,104,000) |
| Highways Maintenance / Pothole (DfT) / Challenge Fund | (50,347,000) | (29,997,000) | (29,997,000) | (29,997,000) |
| Broadband | (2,608,437) | (3,067,328) | (2,501,000) | 0 |
| City Connect | (4,924,881) | (92,500) | 0 | 0 |
| Transforming Cities Fund Tranche 2 | (39,995,010) | (123,248,290) | (137,519,145) | 0 |
| Land Release Fund & One Public Estate | (151,529) | 0 | 0 | 0 |
| Low Emission Vehicles (DfT) | (617,000) | 0 | 0 | 0 |
| Getting Building Fund | (26,300,000) | (26,300,000) | 0 | 0 |
| Brownfield Housing Fund | (1,000,000) | (20,000,000) | (25,000,000) | (14,000,000) |
| Emergency Active Travel Fund | (12,566,000) | (13,000,000) | 0 | 0 |
| Single Investment Fund - TCF Commitment | | 0 | (96,000,000) | (42,000,000) |
| Unapplied Capital Funding as at 31.3.2020 (all funds) | (141,315,000) | | | |
| | (482,027,721) | (277,109,118) | (352,421,145) | (147,401,000) |

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Report to: Combined Authority

Date: 10 December 2020

Subject: Assurance Framework Review

Director: Melanie Corcoran, Director of Delivery

Author: Craig Taylor, Head of Portfolio Management and Appraisal

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

1 Purpose of this report

- 1.1 To provide the Combined Authority with an update on progress relating to changes proposed to the Leeds City Region Assurance Framework arising from the West Yorkshire Devolution Deal for a Mayoral Combined Authority to be established.
- 1.2 To approve the submission of the Assurance Framework to government.
- 1.3 To delegate authority to the Combined Authority's Managing Director in consultation with the LEP Chair and the Combined Authority Chair to approve the Assurance Framework if, further to its consideration by the Combined Authority on 10 December 2020, the government require any amendments.

2 Information

- 2.1 The Assurance Framework was developed in 2015 as part of the Growth Deal with Government. Its purpose 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 Framework (SEF) ambitions. Its focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the LEP and local partners with assurance that decisions over funding (and the means by

which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded from Government or local sources that flow through the LEP and Combined Authority. The Assurance Framework is prepared in accordance with HM Government National Assurance Framework Guidance (2019) and builds on existing good practice.

- 2.2 The Assurance Framework must be reviewed annually and uploaded on to the LEP website. The annual update is due by 28 February, however, due to the West Yorkshire Devolution Deal, the Assurance Framework has been subject to an extensive in-year review for the Mayoral arrangements to be adopted. The updated Mayoral Combined Authority Assurance Framework was required to be sent to Government on 1 December 2020 for approval in January 2021.
- 2.3 Other MCA Assurance Frameworks have been reviewed as part of this process to compare structures and content to identify areas of best practice. Regular communication with BEIS has also identified the level of detail to be included regarding the Mayoral arrangements for this update.
- 2.4 Consultation was undertaken on the current Assurance Framework for feedback to be gained from internal and external stakeholders including programme and project managers, consultants, Chief Highways Officers, and the Chairs of Committees. There were over 250 engagements through a survey and workshop attendees. Views were given from a range of stakeholders and those who actively use the Assurance Framework. These included elected member, decision makers across the Leeds City region, programme and project managers and consultants. The key outcomes identified as part of the consultation were:
 - Over 80% of respondents regarded the Assurance Framework as being effective in ensuring that the necessary systems and processes are in place to ensure that funding is managed effectively and there is a transparency and challenge process leading to successful delivery of schemes.
 - Positive comments are received on the Framework for its robustness for challenge, transparency and the way in which the Portfolio Management and Appraisal Team manage the assurance process.
 - The key themes on what could be improved centred around proportionality, recognising the one size does not fit all, the complexity of the process, flexibility within it and timescales for progressing schemes through the Framework.
- 2.5 A copy of the updated Assurance Framework can be found in **Appendix 1**. The key changes to the Assurance Framework are:
 - Re-structuring of the Assurance Framework to remove duplicated information.

- Removal of the Executive Summary. Information has been incorporated into Section 1.
- Addition of the Mayoral Combined Authority's role and remit including the Mayor's role in Decision-Making.
- Addition of a statement that complies with the National Local Growth Assurance Framework, which states "that Local Assurance Frameworks should set out the means by which elected Mayors will be involved in funding allocation and decision-making" and "that no spending commitments beyond the initial five-year allocation should be made until elected Mayors are in place and have agreed to the investment strategy." This is to ensure consistency with the ambition and agreement to hold a single democratically elected figurehead accountable, and for their democratically invested power to influence the allocation of funding.
- References to the Strategic Economic Plan (SEP) have been replaced with references to the Strategic Economic Framework (SEF) and Local Industrial Strategy (LIS).
- Incorporation of the Adult Education Budget governance arrangements.
- An update of the assurance process (Section 7) in response to feedback received from the consultation on the Assurance Framework, which took place between 3 July 2020 and 15 July 2020. Please refer to **Appendix 2** that explains the key changes.
- Updated wording to reflect updated working practices around project and programme appraisal.

2.6 The Mayoral elections are not due to take place until early May 2021. During the timeframe without a Mayor, the decision-making arrangements will continue as those outlined in the Assurance Framework. Upon election of the Mayor the decision-making arrangements will change and therefore BEIS require the Assurance Framework to also include these arrangements. These arrangements are highlighted in italics in the Assurance Framework (Appendix 1).

Next steps

2.7 The Assurance Framework has been reviewed by:

- Investment Committee
- The Combined Authority (for initial feedback and comments)
- Scrutiny Committee
- Finances & Corporate - Scrutiny Working Group
- Leeds City Region Enterprise Partnership Board (LEB Board)
- Governance & Audit Committee

2.8 The review has been positive and no amendments have been requested.

- 2.9 The Assurance Framework was sent to Government on 1 December 2020 for approval in January 2021. Implementation of the Leeds City Region Assurance Framework will be once the Mayoral order is approved, which is expected in February 2021. The Government are aware that final approval by the Combined Authority is after submission to them and it has been agreed that any changes will be communicated as necessary after the 10 December Combined Authority meeting.
- 2.10 If the government require any amendments it is requested that the Combined Authority delegate authority to the Combined Authority's Managing Director in consultation with the LEP Chair and the Combined Authority Chair to approve the Assurance Framework.

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. This will strengthen how clean growth and climate change impacts are considered as part of all schemes that come through the Assurance Framework.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust, quantifiable methodology for assessing all new schemes predicted carbon emissions/wider clean growth impacts is being developed.
- 3.3 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will reduce carbon emissions (both directly and indirectly).

4 Inclusive Growth Implications

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

5 Financial Implications

- 5.1 There are no financial implications directly arising from this report.
- 5.2 It should be noted that approval of the Assurance Framework by Government is required for the devolution funds to be released. The S73 Officer has also signed off the Assurance Framework.

6 Legal Implications

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

7 Staffing Implications

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

8 External Consultees

- 8.1 The Department for Business, Energy & Industrial Strategy (BEIS) has provided informal feedback on the Assurance Framework.
- 8.2 A survey and a series of workshops were undertaken with stakeholders to gain feedback on the current Assurance Framework and processes. The feedback gained has been incorporated within the document.

9 Recommendations

- 9.1 The Combined Authority is asked to:
 - (i) Note the progress made on the Assurance Framework and changes that have been made to the content and structure of the document.
 - (ii) Approve the submission of the Assurance Framework to government
 - (iii) Delegate authority to the Combined Authority's Managing Director in consultation with the LEP Chair and the Combined Authority Chair to approve the Assurance Framework if, further to its consideration by the Combined Authority on 10 December 2020, the government require any amendments.

10 Background Documents

- 10.1 None.

11 Appendices

- 11.1 Appendix 1 – Assurance Framework
- 11.2 Appendix 2 – Assurance Process

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**West
Yorkshire**
Combined
Authority

Working in
partnership
with the



**Leeds City Region
Enterprise
Partnership**



Assurance Framework

Last updated: 01 December 2020

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1 Introduction

1.1 About the Assurance Framework

This is the joint Assurance Framework for the West Yorkshire Combined Authority (Combined Authority) and the Leeds City Region Enterprise Partnership (the LEP). The Assurance Framework sets out the arrangements that the Combined Authority and the LEP have in place to ensure that public money is managed effectively. It explains how the Combined Authority and the LEP identify, appraise, and evaluate schemes to achieve value for money.

The Assurance Framework covers expenditure on programmes and schemes funded by Government or local sources in the Leeds City Region. This includes funding received by the Combined Authority in respect of the Single Investment Fund (SIF) and as the accountable body for the Leeds City Region Enterprise Partnership (the LEP). Further details on the SIF can be found in section 2.1

1.2 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, and to ensure the successful delivery of our Strategic Economic Framework (SEF) ambitions¹. Its focus is to ensure that necessary practices and standards are implemented to provide the Government, Combined Authority, the LEP and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money.

This framework also sets out the respective roles and responsibilities of the Combined Authority and the LEP, including how the formal accountability relationship between the Combined Authority and the LEP works.

1.3 Updating the Assurance Framework

The Assurance Framework is reviewed and updated on an annual basis and signed off by the Combined Authority, the LEP and the statutory Section 73² Chief Finance Officer in line with the requirements of the National Local Growth Assurance Framework (2019). The Assurance Framework also takes into consideration the guidance set out in the Strengthened Local Enterprise Partnerships report (2018) and has been prepared in accordance with guidance issued by the Chartered institute of Public Finance and Accountancy.

1.4 The Seven Principles of public Life

¹ The priorities of the SEF are 1. Boosting productivity, 2. Enabling inclusive growth, 3. Tackling the climate emergency, 4. Delivering 21st century transport, 5. Securing money and powers. The SEF will be implemented in April 2021.

² Appointed under Section 73 Local Government Act 1985

The Seven Principles of Public Life (the Nolan principles)³ underpin this Assurance Framework to ensure that the Combined Authority and the LEP, their members and officers, are upholding the highest standards of conduct and ensuring robust stewardship of the resources they have at their disposal.

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³ These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

2 About West Yorkshire

2.1 West Yorkshire Combined Authority

The West Yorkshire Combined Authority was established in 2014 to bring together local councils and businesses to champion the region's interests nationally and internationally, securing investment from Government and other sources to drive the economy forward, by carrying out economic regeneration and development functions as well as acting as local transport authority for West Yorkshire.

In March 2020, the West Yorkshire councils and the Combined Authority agreed a “minded to” devolution deal with Government. The deal detailed £1.8bn of Government investment (including £1.14bn over 30 years), to be subject to local influence and decision making, enabling spend on local priorities, together with a range of new devolved functions. The devolution deal was subject to the Combined Authority adopting the model of a directly elected mayor (the Mayor) over the Combined Area (West Yorkshire), that is becoming a mayoral combined authority.

The Combined Authority has now been established by Order as a mayoral combined authority, with the first election for a Mayor taking place in May 2021. The Mayor is directly elected by the local Government electors in West Yorkshire.

Throughout this Assurance Framework, details in italics indicate arrangements which will be put in place once the Mayor is in office⁴. Appendix 1 sets out the high level mayoral functions that will be undertaken once a mayor is elected.

A key element agreed in the devolution deal was a “**Single Pot**” approach to funding which consolidates funding lines and reduces ring-fences. This gives the Combined Authority greater control, flexibility and responsibility over funding streams and their outcomes. The new funding will form a **Single Investment Fund (the SIF)**.

The new devolved functions exercised by the Combined Authority as a mayoral combined authority include:

- **Transport-related powers** including in relation to highways, traffic management and permit scheme functions.
- **Adult education and skills functions** thus enabling decision-makers to closer align spending on skills with the opportunities and needs in the local economy in order to engage adults and provide them with the skills needed for entering and sustaining employment, an apprenticeship, traineeship, or other further learning.
- **Housing functions** relating to compulsory purchase, plus provision of housing and land, land acquisition and disposal, and development and regeneration of land.

⁴ 10 May 2021.

- **Economic development** – duty to prepare an assessment of economic conditions.
- **Policing and Crime functions**^{5, 6}.

2.2 Leeds City Region Enterprise Partnership

The Leeds City Region Enterprise Partnership (the LEP) is an autonomous business-led public-private local partnership, which brings together the private and public sectors from across the City Region to:

- Provide strategic leadership.
- Unlock the region's vast potential by enabling businesses to grow and develop.
- Stimulate growth that will create jobs and prosperity for everyone who lives, works and does business in the region.
- Develop strategy and policy aimed at meeting both the current and future needs of the region's economy.
- Deliver schemes that support businesses and accelerate growth.

2.3 The West Yorkshire Combined Authority and the LEP

The West Yorkshire Combined Authority and the LEP work in partnership to achieve their shared goals. There are several practical ways in which this happens, notably:

- One member of the LEP Board is a member of the Combined Authority.
- *The Mayor, as well as chairing the Combined Authority is a member of the LEP Board*
- The Strategic Economic Framework details the priorities of both the Combined Authority and LEP (see section 2.5 below).
- West Yorkshire council leaders are members of the Combined Authority and the LEP
- The Assurance Framework is adopted by both the Combined Authority and the LEP and applies across all programmes and schemes managed by Combined Authority and the LEP
- The Managing Director of the Combined Authority is also the Chief Executive Officer of the LEP.

⁵The exercise of these functions are subject to separate assurance processes, and do not therefore come under this Assurance Framework.

⁶ The Mayor exercises Police and Crime Commissioner functions, but the exercise of those functions is subject to separate assurance processes and do not fall within the scope of this Assurance Framework.

2.4 Accountability

As a mayoral combined authority, the Combined Authority has a democratic mandate to invest in its local area. *The directly elected Mayor provides a single point of accountability for residents and is held responsible for their decisions through the local elections, as well as through the Combined Authority's Overview and Scrutiny Committee.*

The Combined Authority is the accountable body for the Single Investment Fund (SIF), which means it is directly accountable to Government for complying with any conditions or requirements attached to funding.

In addition, 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.

Appendix 2 to this Assurance Framework sets out the specific roles and responsibilities of the Combined Authority as accountable body for the LEP.

The statutory Section 73⁷ Chief Finance Officer of the Combined Authority as accountable body, is responsible for overseeing the administration of the Combined Authority's financial affairs. This role is extended to include the financial affairs of the LEP.

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

Appendix 3 to this Assurance Framework sets out the responsibility arrangements agreed by the Chair of the LEP and the LEP's Chief Executive Officer with the Section 73 Chief Finance Officer, 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

2.5 Geography

The West Yorkshire Combined Authority and LEP cover the same geographical area, namely the districts of Bradford, Calderdale, Kirklees, Leeds, and Wakefield. The Assurance Framework applies across all programmes and schemes managed by Combined Authority and the LEP, some of which cover a broader geography than these five districts.

⁷ 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.

The Combined Authority and LEP will continue to explore opportunities for further collaboration with partner councils, including Harrogate Borough Council, Craven District Council, Selby District Council, City of York Council and North Yorkshire County Council, and across the whole of Yorkshire through the Yorkshire Leaders' Board.

2.6 Strategic Economic Framework (SEF)

The Leeds City Region's current Strategic Economic Plan (SEP) sets out the organisation's priorities for growth and development. To reflect the growing range of policies that we operate in, changing national political and economic contexts and the need to incorporate the future mayor's manifesto commitments in our work, the SEP will be replaced by a Strategic Economic Framework (SEF).

In September 2020, the Combined Authority and the LEP agreed to formally adopt the SEF as the overarching strategic framework for the region, replacing the Strategic Economic Plan (SEP). The SEP will remain in place as the strategy for implementation of the Growth Deal until March 2021.

The SEF will guide investment decisions. It has been designed to be flexible and agile, able to contain a range of policies and be easy to amend and expand. It brings together existing and subsequent policies and strategies under a single banner, ensuring greater alignment between our strategies, priorities and vision for the City Region. To allow for greater flexibility in the SEF, it is not a single, published document but is hosted on the Combined Authority's [website](#).

It sets out our vision for West Yorkshire to be "recognised globally as a place with a strong, successful economy where everyone can build great businesses, careers and live supported by a superb environment and world-class infrastructure."

Five priorities have been set to achieve this:

- **Boosting productivity** - Helping businesses to grow and bringing new investment into the region to drive economic growth and create good jobs.
- **Enabling inclusive growth** - Enabling as many people as possible to contribute to, and benefit from, economic growth in our communities and towns.
- **Tackling the climate emergency** - Growing our economy while cutting emissions and caring for our environment.
- **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.
- **Securing money and powers** - Empowering the region by negotiating a devolution deal and successfully bidding for substantial additional funds.

All our policies and strategies work toward meeting at least one of these priorities.

2.7 West Yorkshire Investment Strategy (WYIS)

The WYIS will set out the transformational investments that the Combined Authority will commit resources to, and the process required to make those investment decisions over an agreed investment period. The WYIS, as well as setting out the context, objectives and targets of the Combined Authority derived from the SEF, will also identify the criteria that will be used to select and prioritise schemes:

- Investments with the highest potential contribution to the Combined Authority's targeted objectives and outcomes.
- Selection of schemes must also be driven by those which support inclusive growth, our climate emergency ambitions, drive social value, tackle market failure, maximise value for money and provide different kinds of return to the SIF.
- The SIF should be guided by the funder of last resort principle - demonstrating a clear strategic case for public investment.

The design of the SIF should not mean an equal share across themes or geographies and therefore Places could expect to benefit in different ways and at different times.

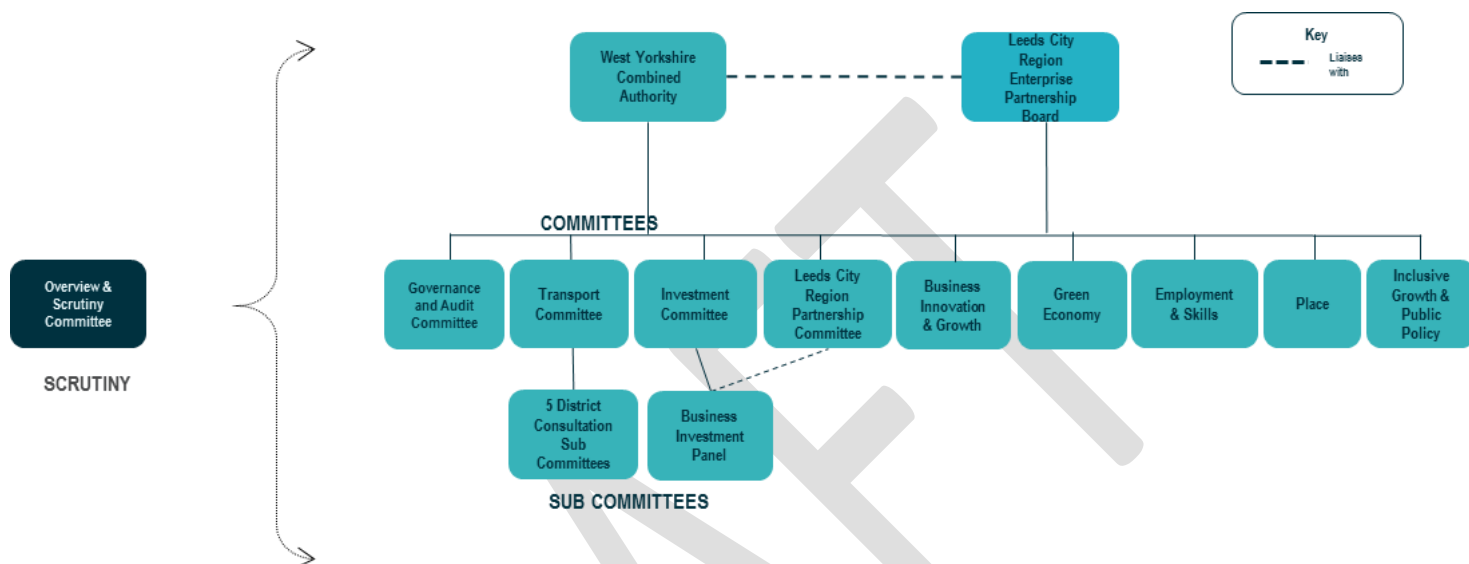
The West Yorkshire Investment Strategy (WYIS) is approved by the Combined Authority. No spending commitments beyond the initial five-year allocation will be made until the Mayor is in office and has agreed the WYIS. *The Mayor may request a review of any investment decision with regards the SIF before the Mayor came into office. Any such request must be submitted by the Mayor to the Combined Authority's Managing Director within three months of the Mayor taking office.*

3 Governance

The principal decision-making bodies for the Leeds City Region are the Combined Authority and the Leeds City Region Enterprise Partnership (the LEP).

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

Governance structure



3.1 The West Yorkshire Combined Authority

Appendix 4 sets out the governance arrangements of the Combined Authority, including membership. *The Mayor by virtue of their office is a member and the Chair of the Combined Authority.*

The Mayor is responsible for carrying out some specific functions (Mayoral functions). The Combined Authority is responsible for any function of the Combined Authority which is not the responsibility of the Mayor (any Non-Mayoral Function).

Decisions on *Non-Mayoral Functions* may be taken

- **by the Combined Authority**, (that is, at a meeting of the members of the Combined Authority acting collectively), or
- **by a committee** of the Combined Authority which has delegated authority for the function,
- under **joint arrangements** with other local authorities, or
- **by an officer** of the Combined Authority under delegated authority.

The Mayor's vote is required in support of any decision taken at a meeting of the combined Authority about any Non-Mayoral Function which the Combined Authority acquired when it became a mayoral combined authority, that is, further to the devolution deal.

Any decision about a Mayoral Function (that is a function which is the responsibility of the Mayor) must be taken by the Mayor, or by

- *the Deputy Mayor,*
- *another member of the Combined Authority, or*
- *an officer of the Combined Authority under delegated authority from the Mayor.*

3.2 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 Board⁸, the decision-making forum for the LEP.

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

Appendix 4 provides information about the membership arrangements of the LEP Board.

3.3 Decision-making committees

In addition to the Combined Authority and LEP Board, the following committees have decision making powers:

| | |
|---|---|
| Transport Committee | <p>The Transport Committee has authority to carry out any transport function of the Combined Authority, including progressing schemes under the Assurance Framework within the Integrated Transport Block of the Capital Programme, for which the cumulative total of the financial approval and tolerance threshold is £3million or under.</p> <p>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>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 make any decision to progress a scheme⁹ under the Assurance Framework¹⁰ in accordance with any bespoke approval pathway and approval route for the scheme¹¹, as delegated by the Combined Authority.</p> |

⁸ The LEP Board may delegate decisions in accordance with the LEP's Constitution and the LEP Board's Procedure Rules

⁹ Including determining change requests

¹⁰ After decision point 1 (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 1 (SOC), or decision point 2(OBC) by more than 25%, in which case the decision must be taken by the Combined Authority.

| | |
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| | <p>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 Combined Authority and the LEP.</p> <p>The terms of reference, membership, future meeting dates and agenda items of the Committee can be found here.</p> |
|--|---|

3.4 Advisory Panels to Combined Authority and the LEP

The following advisory panels are appointed by the Combined Authority¹² but also advise the LEP.

| | |
|---|---|
| Business Investment Panel | <p>This panel has a key role in the assurance process for the appraisal of business grants and loans in the City Region, advising the West Yorkshire and York Investment Committee and the LEP in relation to economic development loans and grants.</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 Combined Authority and the LEP 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 Combined Authority and the LEP in relation to employment and skills within the City Region, for example, schemes to address skills gaps in the City Region's key industry sectors and create local leadership that drives improvements in skills and employment. This includes advising in relation to Adult Education functions. The panel's work</p> |

¹² These are advisory committees of the Combined Authority

| | |
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| | <p>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 Combined Authority and the LEP 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 Combined Authority and the LEP on promoting the quality of place in the City Region, including relation to housing growth, quality and regeneration, infrastructure planning, strategic land use and asset management, sustainable development and enterprise zones.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p> |
| Inclusive Growth and Public Policy Panel | <p>This Panel advises the Combined Authority and the LEP in relation to securing inclusive growth throughout the Leeds City Region.</p> <p>The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found here.</p> |

3.5 Other committees of the Combined Authority

The Combined Authority also has the following committees.

| | |
|--|---|
| Overview and Scrutiny Committee | <p>This is a statutory committee of the Combined Authority which reviews and scrutinises decision-making by the Combined Authority (including in its role as accountable body for the LEP) and the LEP. See further section 5.8 and 5.9 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 5.7</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 the Leeds City Region authorities, to facilitate direct collective engagement with the Combined Authority, as the LEP's accountable body.</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.

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

3.6 Adult Education and Skills

Decisions about adult education and skills functions are taken in accordance with arrangements separately approved by the Combined Authority, in accordance with the Department for Education's Adult Education Budget (AEB) Assurance Guidelines. The assurance process as set out in section 7 of this Assurance Framework does not therefore apply.

A summary of the arrangements for administering, monitoring and evaluating the AEB is set out in **appendix 7** to this Assurance Framework.

4 Decision-Making

4.1 Investment Decisions

All investment decisions are made by reference to:

- How well they contribute to the strategic priorities as set out in the SEF and the West Yorkshire Investment Strategy (when approved);
- 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 bids to Government / re-prioritisation, small grant programmes, adult education functions, where alternative arrangements are in place).

Section 7 of the Assurance Framework sets out in detail the assurance process for schemes, and the **decision points** that take place at the end of each activity.

Any investment decision which has not been delegated (including those decisions where a scheme has fallen outside of the tolerances identified by the Combined Authority) must be taken by the Combined Authority.

The Combined Authority sets a bespoke approval pathway and approval route to be followed for each scheme. This may delegate decisions to the Combined Authority's Transport Committee, to the West Yorkshire and York Investment Committee, or to the Managing Director, subject to any scheme staying within agreed tolerances.

Except where otherwise specified in this Assurance Framework all programmes and schemes require **approval from the Combined Authority at Decision Point 2** (Strategic Outline Case (SOC)), in order to proceed to Stage 2: (Scheme Development).

Before taking any funding decision, a decision-maker needs to be satisfied that the Assurance Framework has been complied with. The Combined Authority's Strategic Assessment Prioritisation (SAP) group and the Programme Appraisal Team (PAT) have a key role in ensuring compliance with the Assurance Framework, see Section 7 below.

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

| | |
|---|---|
| West Yorkshire & York Investment Committee | The Committee has authority to make any decision to progress a scheme ¹³ under the Assurance Framework ¹⁴ in accordance with any bespoke approval pathway and approval route for the scheme ¹⁵ , as delegated by the Combined Authority. |
| 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). |

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 delegated decisions to the West Yorkshire and York Investment Committee.

4.2 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, which are not therefore subject to the assurance process set out in section 7.

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| 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.</p> <p>Detailed progress on the Growth Service project is reported on a quarterly basis to the Business Innovation and Growth (BIG) Panel and on a 6-weekly basis to the LEP Board by the BIG Panel Chair. There is also a private sector lead on the BIG Panel for the Growth Service, who 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</p> |
|-----------------------|---|

¹³ Including determining change requests

¹⁴ After decision point 2 (SOC) only

¹⁵ 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.

| | |
|--|---|
| | Housing, Communities and Local Government in respect of the ERDF funding. |
| 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 ¹⁶(and any successor funds to be established), following consideration of the recommendations made by the West Yorkshire and York Investment Committee and its sub-committee, the Business Investment Panel (which has public and private sector representatives). The Combined Authority approves schemes 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> |
| Economic Services Grants | Arrangements in relation to economic services grants are set out in Appendix 5. |
| Sustainable Urban Development (SUD) | Arrangements relating to the principles for European Structural Investment Fund Sustainable Urban Development (SUD) purposes are set out in Appendix 6 |

¹⁶ Growing Places Fund loans are not currently available, but the LEP and Combined Authority is now reviewing its approach in this area of activity with the intention of launching new products later in 2020/21.

5 Transparency and Accountability

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 regulation¹⁷. 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 Combined Authority and the LEP. 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 Combined Authority and the LEP – see further below.

5.1 Publication of information

For transparency, the Assurance Framework is published on the West Yorkshire Combined Authority and LEP websites, together with supporting information.

The Combined Authority website, which is accessible from the LEP website, contains details of our West Yorkshire Investment Strategy (WYIS), Strategic Economic Framework (SEF) and its underpinning policies and strategies as well as information relating to progress on delivery of all programmes.

An overview of all scheme business cases and evaluation reports are published on the [Combined Authority website](#). These scheme pages also include links to relevant news articles.

Summaries of business cases to be considered by the West Yorkshire and York Investment Committee as part of the assurance process are published electronically ahead of meetings.

5.2 Combined Authority transparency arrangements

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:

¹⁷ 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.

- 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
- 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 [here](#)
- business case summaries of all schemes/programmes coming forward for a decision are published on its website. Summaries of schemes/programmes can be found [here](#)
- key decisions taken by officers are published on the Combined Authority website [here](#)
- 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.

Notice of any proposed key decision are published on the Combined Authority website 28 days in advance of the decision here, in accordance with the Access to Information Annex here (link). This includes any decision taken under decision point 1 and 3 of the assurance process set out in section 7 of this Assurance Framework.

5.3 LEP transparency arrangements

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 Board¹⁸.

Key roles and responsibilities of the LEP Board can be found at Appendix 4 setting the strategic direction for the sustainable economic growth of the 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 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;

¹⁸ The LEP Board may delegate decisions in accordance with the LEP's Constitution and the LEP Board's Procedure Rules

- 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 Appendices, 2, 3 and 4.

Agendas, reports and minutes of the LEP Board are published on the [Combined Authority website](#), which is also accessible from the LEP website.

The [LEP Board procedure rules](#) and [Access to Information Annex](#) set out the details 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 Procedure Rules and Access to Information Annex⁶.

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

5.4 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.

We aim to integrate diversity and equality into all that we do, and the work that others do on behalf of the Leeds City Region. In practice this means doing what we can to positively promote equality and diversity across the delivery of projects, programmes and services and in relation to our own structure. The Equality and Diversity Policy including Diversity Statement can be found [here](#).

5.5 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 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 DPO¹⁹ assists the Combined Authority on the monitoring of compliance with the data protection legislation, advises on data protection obligations, provides advice regarding Data Protection Impact Assessments and is the contact point for data subjects and the supervisory authority.

The Combined Authority and the LEP 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](#)

5.6 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 Officer²⁰, 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 2.4 above and Appendix 3. 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 accordance with formal approvals made under the Combined Authority and LEP 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

¹⁹ The DPO sits within the Combined Authority's Legal and Governance Services team

²⁰ Appointed under Section 73 of the Local Government Act 1985

audited, although this may change in accordance with legislative requirements. The statement will cover expenditure funded from the Single Investment Fund and other funding sources, including those 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 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 external 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 external auditor about any relevant item.

5.7 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 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.

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

5.8 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 Combined Authority (*including decisions taken by the Mayor*) and by the LEP.

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

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

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

Scrutiny of investment decisions

The pre-decision scrutiny review process serves as an important function in parallel to the assurance process. The Overview and Scrutiny Committee is currently reviewing scrutiny arrangements to strengthen its **pre-decision scrutiny** of impending scheme approvals and schemes in delivery.

With the exception of any decision which the decision-maker has resolved is urgent, the Overview and Scrutiny Committee may "call in" decisions for further scrutiny, including investment decisions which are taken

- by the Combined Authority or
- by the Investment Committee or Transport Committee, or
- by an officer, where the decision is a key decision

The Committee may direct that any such decision should not be implemented until the Committee has reviewed it and made recommendations to the decision-maker.

Scrutiny of the LEP

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.

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 2.

5.9 Code of Conduct

Statutory provisions require the Combined Authority to adopt a Members' Code of Conduct which applies to members of the Combined Authority, *including the Mayor*, 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. These can be found [here](#).

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.

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

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

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

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

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

5.10 Conflict of Interest

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 Combined Authority and the LEP 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 Combined Authority and the LEP. 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](#).

5.11 Complaints Policy

The Combined Authority will 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 confidential complaints procedure, which can be found here

5.12 Whistleblowing Policy

The Combined Authority has 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. The LEP has adopted a whistleblowing policy, which can be found [here](#).

5.13 Resources and Capabilities

The Combined Authority and the LEP 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 the necessary 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

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6 Local Engagement and Partnership Working

6.1 Local Engagement

Engagement with stakeholders and the wider public is regarded as a central part of the process to develop, monitor and implement strategies, funding programmes 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 team work with colleagues to ensure these principles are applied in any consultation and engagement activities that are undertaken. As well as carrying out insightful 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.

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. This group reports to the LEP Board. 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.

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

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.

6.2 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.

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. The LEP is committed to working with the LEP Network.

7 Assurance Around Programme and Project Delivery

Leeds City Region Assurance Process

7.1 Overview

This section sets out how the assurance process is used in the development and delivery of all project and programme investments. The assurance process will be applied to the assessment of schemes and programmes that flow through Combined Authority and the LEP, drawing on current national guidance (e.g. HM Treasury Green Book, DfT TAG and MHCLG Appraisal Guidance).

The assurance process (set out below) has three stages; Stage 1: Assessment and Sequencing, Stage 2: Scheme Development, Stage 3: Delivery and Evaluation. It provides a practical 'step-by-step' framework to aid the development of business cases, to ensure successful delivery and to enable monitoring and evaluation. The assurance process is transparent 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:

- **scheme promoters:** it provides a pathway to allow promoters to develop proposals in a way that will ensure their schemes have a robust business case, show value for money and show that they address the Combined Authority's investment priorities.
- **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

Under each stage outlined 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).

At the end of each activity, a scheme is required to go through a decision point (DP1 to DP6) or reporting point (DP7). It is here where a scheme is appraised using the HM Treasury 'five cases model'²¹. As such, scheme 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)).

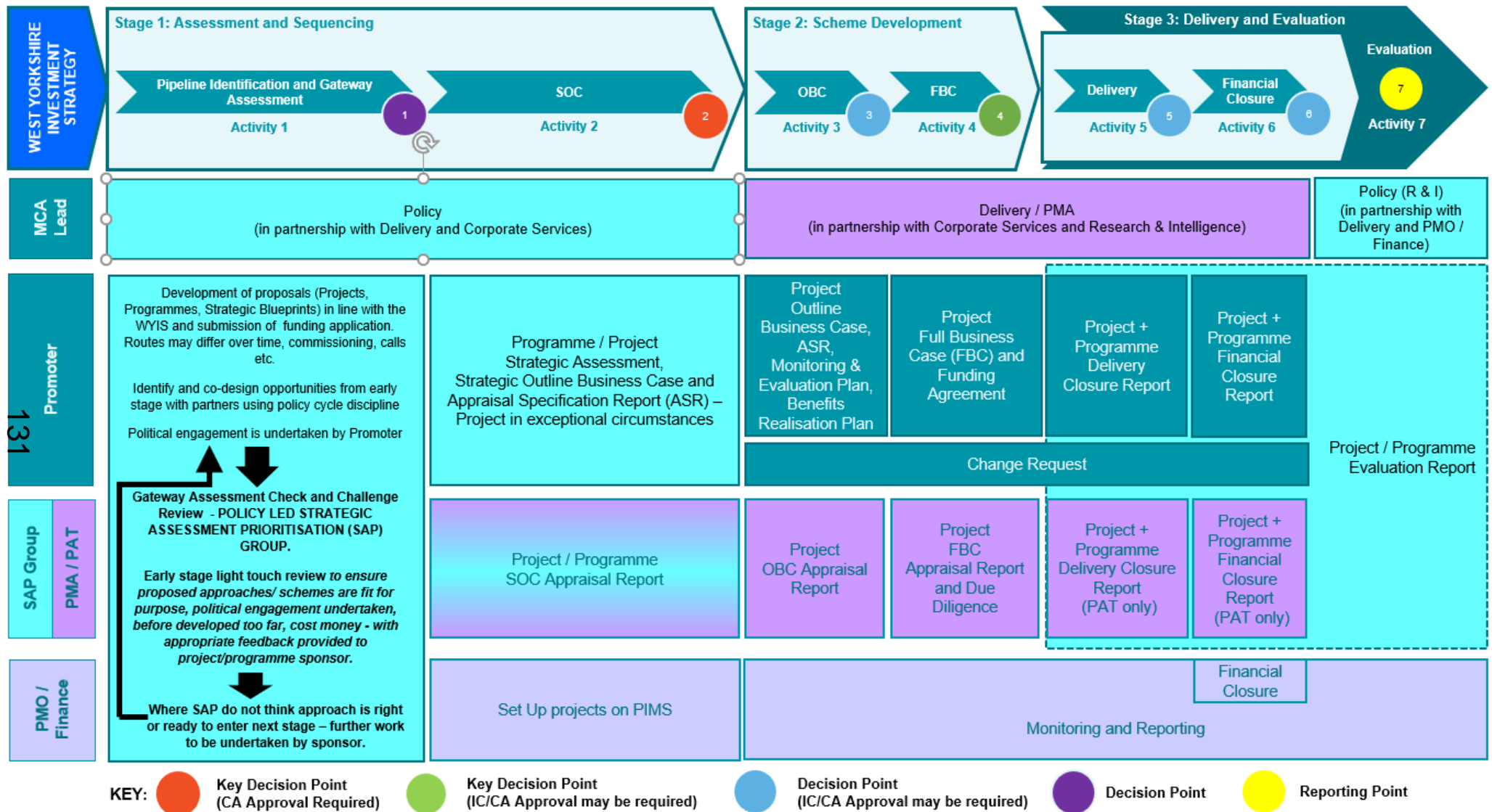
Subject to the exceptions, such as small grant programmes, for example, business growth grants and loans, where alternative arrangements are in place, all

²¹ The HM Treasury "five cases model" includes the Strategic, Commercial, Economic, Financial and Management cases.

programmes and schemes require approval from the Combined Authority at Decision Point 2 (Strategic Outline Case (SOC)), in order to proceed to Stage 2: Scheme Development. It is at decision point 2 where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels.

Development funding for development of the next stage / activity can be approved at any decision point.

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7.2 Stage 1: Assessment and Sequencing

Criteria for prioritisation

As set out in section 2 above, the aim of the SEF is to form the new overarching economic framework for the region, building on the successes of the SEP. It sets out the vision for the region and our priorities for achieving this.

The new West Yorkshire Investment Strategy (WYIS) will provide a vehicle for translation of the Combined Authority's SEF objectives, Recovery Plans, the Mayor's manifesto commitments and the city region's devolution agreements in to funding and operating priorities that deliver the wider strategic aims of the Combined Authority, thus providing a sound basis for taking investment decisions. Partners will be able to apply for funding clearly aligned to our investment priorities.

Once the first WYIS has been approved this will be reviewed annually to take account of changing economic circumstances, updates to the SEF, what is working well and what is not, and new funding and investment opportunities which set out the focus for our investments as well as align with the Assurance Framework annual review.

Activity 1: Pipeline Identification and Gateway Assessment:

Programmes / schemes will start to be developed through an ongoing dialogue with the Region's businesses, third sector and public organisations, in line with the WYIS. It will also ensure stakeholders are informed about the availability of funding the WYIS objectives, allow them to identify, develop and co-design project/programme opportunities from an early stage and apply for funding clearly aligned to our investment priorities. The LEP is expected to play an important role in identifying sector led opportunities.

Programmes / schemes will be assessed on a case by case basis by the Strategic Assessment Prioritisation Group (SAP) to determine if they are eligible to proceed, through an early stage gateway check and challenge review. The role of SAP is explained below in section 7. If programmes / schemes are eligible, they will be awarded '*approved development status*' (Decision Point 1) and will then progress to Strategic Outline Case (SOC) as part of the assurance process (Activity 2).

Programmes / schemes at this stage will be provided with feedback and can be rejected or deferred until further supporting information is provided. This is carried out by assessing strategic fit against the WYIS. The SAP Group will recommend a Strategic Assessment (SA) decision notification for approval by the Managing Director (or by an officer under sub-delegated authority from the Managing Director) (Decision Point 1).

The City Region's carbon emission reduction target was set in July 2019. This target commits the region to be net-zero carbon by 2038, with significant progress by 2030. Therefore, the vast majority of schemes funded by the Authority will be expected to contribute to this commitment. The Combined Authority is currently developing and consulting upon the approach it will adopt to carbon appraisal. The changes that will be introduced will form an integral part of the new Assurance Framework and feature in all stages of business case development from SOC through to FBC – the aim is to introduce a clearly defined appraisal framework to support investments.

Activity 2: Strategic Outline Business Case (SOC):

Eligible programmes / schemes will, once awarded approved development status at Decision Point 1, submit a SOC whereby a full appraisal will be undertaken. At SOC scheme promoters will be expected to set out their proposed approach to establishing value for money (VfM) at a programme / scheme level for review by the Combined Authority before commencing to the next stage of the assurance process. For transport scheme, promoters will be required to submit an Appraisal Specification Report (ASR).

The SOC will be appraised by the Combined Authority's Portfolio Management and Appraisal Team or Research & Intelligence Team and a recommendation presented to the Programme Appraisal Team (PAT) for progression of the scheme.

The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the Investment Committee and Combined Authority.

It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

7.3 Stage 2: Scheme Development

Once a programme / scheme has gained SOC approval from the Combined Authority, the scheme will then be required to submit an Outline Business Case (OBC), unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme and put in place the arrangements to ensure successful delivery.

The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The Economic Case must be developed in consistency with the agreed ASR.

Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case.

The OBC will be appraised by the Combined Authority's Portfolio Management and Appraisal Team and a recommendation presented to the Programme Appraisal Team (PAT) for progression of the scheme. The role of PAT is explained below in section 7. The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision maker (Decision Point 3) as set out in the approval pathway and route approved at Decision Point 2.

The Full Business Case (FBC) confirms the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at SOC or / and at OBC should be resolved within the FBC submission. If conditions have not been met, the scheme may be required to return to Activity 3 (OBC).. The Economic Case must be developed in consistency with the agreed ASR.

The FBC will be appraised by the Combined Authority's Portfolio Management and Appraisal Team and a recommendation presented to the Programme Appraisal Team (PAT) for progression of the scheme. The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision maker (Decision Point 4) as set out in the approval pathway and route approved at Decision Point 2.

The FBC approval will be granted with a condition that the scheme remains within set tolerances). Where this condition has been met approval to proceed into Delivery (activity 5) will be granted by the Managing Director (or by an officer under sub-delegated authority from the Managing Director) following a recommendation from the Programme Appraisal Team (PAT). If the condition is not met, the project will be required to re-submit the FBC.

7.4 Stage 3: Delivery and Evaluation

Once a programme / scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).

Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs.

The Delivery Closure Report will be appraised by the Programme Appraisal Team (PAT) for progression of the scheme. The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision maker (Decision Point 5) as set out in the approval pathway and route approved at Decision Point 2.

Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed.

The Financial Closure Report will be appraised by the Programme Appraisal Team (PAT) for closure of the scheme. The programme / project will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision maker (Decision Point 6) as set out in the approval pathway and route approved at Decision Point 2.

The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.

Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process, and will be undertaken when the Programme (or project in some circumstances), is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall programme objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future programmes and

schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

7.5 Change Requests

During any Stage / Activity, if a scheme requires additional funding, an increase in timescale or changes in scope, a change request is required to be submitted for the scheme to be re-appraised to ensure value for money is still being achieved.

Change requests will be appraised by the Combined Authority's Portfolio Management and Appraisal Team and a recommendation presented to the Programme Appraisal Team (PAT) for progression of the scheme. The change request will then be presented for recommendation by the Programme Appraisal Team (PAT) for approval by the decision maker, dependent upon the tolerances set out at Decision Point 2.

Appraisal

7.6 Who will undertake the appraisal of schemes?

The Combined Authority appraisal function

Each programme / scheme will be assigned a lead appraiser, who will be responsible for carrying out the objective appraisal of the business case. This may be done using expertise from the Combined Authority's Portfolio Management and Appraisal Team or Research & Intelligence 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.

After the lead appraiser's appraisal, Business Cases and Change Requests will be further appraised by the Programme Appraisal Team (PAT) or the Strategic Assessment Prioritisation Group (SAP). The programme / scheme will then be presented to the decision maker (Decision Point 4) as set out in the approval pathway and route approved at Decision Point 2.

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. As part of the appraisal process, scheme promoters will be engaged to review any key issues arising from the ongoing appraisal as appropriate.

The Combined Authority appraisal function, the SAP group 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.

Strategic Assessment Prioritisation Group (SAP)

The SAP 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 activity 1. The assessment will focus on how;

- A project/programme will address the key problem which a project/programme is seeking to address (and hence the reasons why the public sector should intervene and fund);
- Clarity and robustness of a schemes design - through a clearly designed logic chain – where the relationship between need and problem is clearly linked to outputs, impacts and outcomes much earlier in the design process.
- Manage the potential project development costs required.
- Establish and share potential innovation / collaboration opportunities with respective applicants. Any local best practice and knowledge sharing that can be used to enhance the proposal.

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

The SAP consists of a core membership representing Combined Authority policy, strategy and communications, finance, delivery and PMA functions. Attendance at SAP meetings is supplemented by appraisers, 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 relevant Policy Managers, depending upon the Strategic Assessment that is due to be submitted.

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

Programme Appraisal Team (PAT)

The Programme Appraisal Team (PAT) is comprised of West Yorkshire Combined Authority officers who oversee the assurance process as schemes/programmes progress through it.

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 is an internal officer 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.

7.7 Who will approve schemes?

At Decision Point 1 the Combined Authority's Managing Director approves 'approved development status' and where required can approve development funding for SOC production.

At Decision Point 2 (SOC) the Combined Authority approve the indicative funding, approval pathway and route, tolerance levels and development funding for future stages.

At Decision Point 3 and 4 the decision maker (as set out in the approval pathway and route approved at Decision Point 2) approves indicative funding, approval pathway and route, tolerance levels and development funding for future stages.

The FBC approval will be granted with a condition that the scheme remains within set tolerances. Where this condition has been met approval to proceed into Delivery (activity 5) will be granted by the Managing Director (sub delegated to the Director of Delivery as required). If the condition is not met, the project will be required to re-submit the FBC.

At Decision Point 5 and 6 the decision maker (as set out in the approval pathway and route approved at Decision Point 2) approves the Delivery Closure (DP5) and Financial Closure (DP6). The decision maker for Change requests is dependent upon the tolerances set out at Decision Point 2.

7.8 Appraisal proportionality

The Combined Authority will use national guidance for scheme appraisal; HM Treasury's Green Book, including supplementary and departmental guidance, such as the Department for Transport's (DfT) TAG and MHCLG's Appraisal Guidance where appropriate. The Combined Authority may also use local methodologies for this purpose with decision makers determining the most appropriate for each scheme appraisal. The Combined Authority's approach for Value for Money Assessment is dynamic; as advances in techniques becomes clear this will be incorporated in its methodology and provided as supplementary guidance for promoters to that of the HM Treasury Green Book. It is important to note the Combined Authority's climate change aspirations. As of 2021 the Authorities methodology for carbon assessment forms part of the appraisal process, a proportionate approach will be utilised, and guidance will be given on a scheme by scheme basis on the level of requirement.

The assurance process adopts a proportionate approach based on an assessment of risk, cost, novelty and deliverability. For example, a low cost, low risk scheme may proceed from Activity 2 to Activity 4 with a simplified business case template requirement for evidencing value for money.

The Authority uses a variety of templates with 'How to Guidance' provided to the promoter in order for the authority to gather the evidence required to assure value for money and realistic business case proposals. Officers will work with promoters to give additional guidance in order for a proportionate approach to be achieved.

7.9 Methodology to assess Value for Money (VfM)

The range of toolkits (HMT Green Book, DfT TAG, MHCLG Appraisal Guidance etc) are used to demonstrate the economic, social and environmental benefits and cost over an appropriate appraisal period in order to assess the VfM of 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:

Compliance with Department for Transport's TAG guidance

All transport schemes will be subjected to the minimum requirements on modelling and appraisal, in developing Value for Money (VfM) statement, as set out in the National Assurance Framework Guidance (LEP and Single Pot). This includes using the definitive version of NTEM (DfT's planning dataset) in forecasting for Central Case scenario. This essentially means although local development dataset, as supplied by the local planning authorities, will be used but total future demand will be constrained to NTEM at a suitable geographic level. However, the Combined Authority will also advise promoters to develop a range of sensitivity scenarios based on alternative planning assumptions to present to decision makers on how the scheme's VfM performs under different future conditions.

The modelling and appraisal work will be independently 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).

In-line with TAG, the promoter will not carry out any modelling and appraisal work for any activity in Stage 2 prior to Appraisal Specification Report agreement 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.

The Economic Appraiser will provide an assessment on the VfM Statement for decision makers, summarising as part of the appraisal. The conclusions from VfM assessment will take into consideration whether benefits outweigh the costs whilst identifying key risks and sensitivities that may affect the VfM conclusion. 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. Preference will be given to schemes which offers at least 'High Value for Money', accounting for significant non-monetised impacts and key uncertainties. The justification for a recommendation for a project to proceed with a Value for Money less than 'High' will be set out in the reports seeking approval from the relevant decision-makers. Reasons for this could include but is not limited to, a strong strategic fit with the Combined Authority's objectives (e.g. climate change and good growth agenda and increase in active mode and public transport use) and / or strong linkages with other schemes to enhance overall benefits and value (e.g. supporting housing development).

Estimating economic and wider benefits

All programmes and schemes will be expected to have a positive (direct or indirect) impact on growth through job creation, skills improvement, increased productivity, and improved connectivity, to ensure that the good growth aspirations articulated in the SEF are realised. This also includes inclusive growth and clean growth aspirations.

A range of tools and models will be used to help estimate the direct, indirect and wider economic impact of scheme proposals in order to facilitate the prioritisation and decision-making process. It would be expected that the promoter engages with the Combined Authority on the approach and the preferred model/s to be used to appraise the economic benefits, reflecting the scheme context and scope. For transport schemes this should be set out in the ASR.

The Combined Authority are now in the process of procuring expert advice to frame and develop a robust quantifiable methodology (quantitative and qualitative) 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. 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, SEF and the WYIS).

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 and York Investment Committee.

7.10 Due diligence

Due diligence refers to the process of undertaking independent verification of key information provided by scheme promoters in support of funding proposals. It is intended to supplement the appraisal process and support the effective management of risk. It will be undertaken by the Combined Authority's Programme Manager and may take place at any stage in the assurance process prior to entering into a grant funding agreement (GFA).

The scope of due diligence will depend on the nature of the funding proposition and the promoter. Where the promoter is a private sector body it is likely to take the form

of an independent assessment of ownership structure and financial standing and any other appropriate risk considerations determined at that time.

7.11 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 Risk Management Strategy can be found [here](#).

Full scheme-level risk analysis and mitigation plans are required for each programme and scheme when developing their business case. These are required to comply with the Combined Authority Risk Management Strategy and are assessed as part of the appraisal process set out in this Assurance Framework.

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.

7.12 Funding Agreements

At the point where funding is released, the Combined Authority will enter into a funding agreement with the promoter. Any funding conditions will be specified in the funding agreement and can include but not limited to:

- A funding cap
- The promoter's Chief Internal Auditor to provide assurance and to certify 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
- Where projects could trigger a return on investment, they may be subject to overage. A consistent overage mechanism will be applicable where projects receive support through either grant or loan support or on disposal of property or assets
- The Combined Authority, as the accountable body, will determine when to release funding.
- 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 schemes.

The Combined Authority and the LEP will look to recover funding where there has been non-compliance, misrepresentation or under-performance. The Accountable Body arrangements in Appendix 2 set out how concerns are escalated, including taking a legal opinion on the likelihood of recovery.

7.13 Management of contracts

West Yorkshire Combined Authority has implemented a performance management process which is aimed at ensuring contract performance is achieved and that all contract deliverables and obligations are met. The process will ensure that the following key contract management elements are implemented:

- Contract managers who understand all contract requirements, deliverables and provider obligations
- Contract managers have a detailed understanding of the Combined Authority's responsibilities within external funding agreements linked to supplier agreements
- 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 by providers, highlighting performance against key performance indicators and service levels (as appropriate)
- Implementation of regular quality and compliance audits which provide the required evidence in support of contract compliance for LEP funded programmes and agreements.
- Ongoing contract management to include programme risk and issues management
- 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

The West Yorkshire and York Investment Committee and LEP Board receive regular high-level reports on the progress of funded programmes and schemes together with any significant risks, issues and opportunities. More detailed reporting including specific supplier performance against these programmes and schemes are reported to the relevant panel/committee/project board (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.

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 and schemes.

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8 Monitoring and Evaluation

8.1 Monitoring

All schemes are monitored throughout their progression through the assurance process. The Combined Authority use a web-based Portfolio Information Management System (PIMS), to ensure a consistent approach to monitoring and management of all schemes. 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 scheme progress
 - provides a full audit trail of scheme data
 - linkages and dependencies between various schemes in the portfolio can be viewed and managed more easily
- **Consistency**
 - provides a robust and automated method of scheme assurance
 - standardised templates and reports offer robust scheme 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 scheme deliverables is increased
 - lessons learned can be more easily understood and shared between stakeholders
- **Focus on delivery**
 - aggregation of scheme data can identify trends in advance
 - facilitates alignment of schemes to corporate strategy
 - recommendations and actions to be carried out in a more structured and timely way

Programmes and schemes funded by the Combined Authority and the LEP are required to have an outputs and benefits realisation 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 4 (FBC). These should be linked to the Monitoring

and Evaluation Plan to ensure a joined-up approach to monitoring, appraisal and evaluation.

Key metrics of information on performance are reported at regular intervals including 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 [Combined Authority](#) and [LEP](#) websites.

The LEP Board and the West Yorkshire and York Investment Committee receive regular high-level reports on the progress of funded programmes and schemes together with any significant risks, issues and opportunities to enable effective management of all schemes and programmes. These reports are published on the Combined Authority and LEP websites.

8.2 Evaluation

Programmes and schemes funded by the Combined Authority and the LEP are required to have a monitoring and evaluation plan as part of business case development. These should be produced as part of activity 2 (SOC) and refined and be in place at the end of activity 4 (FBC).

The outputs from the monitoring and evaluation plan, together with the outputs from the outputs and benefits realisation plan will be used to assess the effectiveness and impact of investing public funds and the extent to which schemes are contributing to the overall objectives of the Combined Authority and the LEP.

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.

An evaluation strategy has been now been adopted by the Combined Authority and can be accessed through this link.

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 focus on:

- **Strengthening understanding of the impacts, outcomes and additionality of all forms of schemes 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 schemes 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 our funding programmes** – the updated strategy will more clearly define the relationship between project monitoring, benefits realisation and the net additionality achieved across the wider City Region geography. The updated strategy in this theme will consolidate and align with the 'Independent Evaluation of Local Growth Interventions' currently being conducted by MHCLG.

8.3 Five Year gateway reviews

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 first review in 2019 has been passed successfully and funding confirmed until 2024/25. The next review will be undertaken in 2024.

The devolution deal and the Single Investment Fund (the SIF) also requires an independent panel to assess investments' impact on economic growth at five-yearly Gateway Reviews. This additional evaluation provides a further incentive to encourage appropriate project appraisal, assurance and value for money processes.

9 Appendices

Appendix 1 – Mayoral Functions.

The following functions are the responsibility of the Mayor:

a) Transport

- (i) Power to draw up a local transport plan and strategies (although the Combined Authority may amend these).*
- (ii) Power to request local regulations requiring large fuel retailers to provide Electric Vehicle charging points*
- (iii) Bus franchising powers*
- (iv) Ability to pay grants to operators.*

b) Housing and regeneration

- (v) Land acquisition powers to support housing, regeneration infrastructure and community development and wellbeing subject to consent from specified Combined Authority members.*
- (vi) Power to designate a Mayoral Development Area and then set up a Mayoral Development Corporation subject to consent from specified Combined Authority members.*

c) Finance

- (vii) setting a precept on council tax to fund Mayoral Functions*
- (viii) Power to charge business rate supplement (subject to ballot)*

Appendix 2 – Accountable Body Arrangements

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

1. Introduction

The LEP is a strategic body responsible for driving 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”).

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:

- in accordance with formal approvals only, and not for unapproved purposes²²
- 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.

²² Including the services of lobbyists

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 website 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 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 LEP²³, 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-performance²⁴
- risk management.

3. Section 73 Chief Finance Officer - Resources

²³ The Combined Authority is not a constituent member of the LEP, *although the Mayor is on the LEP Board*. Local Authority representatives are appointed in their capacity as district councillors, not members of the Combined Authority.

²⁴ The Accountable Body will report to the LEP Board providing information on schemes which have received funding, including

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

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.

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 Section 73 Chief Finance Officer will also report it to the LEP Board and to the Combined Authority's Governance and Audit Committee.

Appendix 3 – Section 73 Chief Finance Officer – responsibility arrangements

1. Introduction

The Combined Authority must by law²⁵ 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
- in the opinion of the Chief Finance Officer, the LEP Board does not achieve sufficient progress against the action plan.

²⁵ Section 73 of the Local Government Act 1985

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 Board²⁶ 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 LEP.

At the beginning of the financial year, the LEP and the Section 73 Chief Finance Officer will agree the budget risks facing the LEP. These will be kept under review by the Section 73 Chief Finance Officer throughout the year, who will report any significant issues to the LEP Board.

5. Audit

The LEP and Combined Authority have agreed audit arrangements as set out in the Assurance Framework. The Section 73 Chief Finance Officer and the LEP's Chief

²⁶ See further LEP Procedure Rules. The Section 73 Chief Finance Officer is not a member of the LEP Board and does not vote

Executive Officer shall report to the LEP Board on any completed audit by internal or external auditors where any recommendations relate to the LEP and provide a copy to the Cities and Local Growth Unit as appropriate.

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Appendix 4 – Governance arrangements

West Yorkshire Combined Authority

Membership

The Combined Authority as a Mayoral Combined Authority comprises the following members:

- *the Mayor,*
- 5 elected members from each council in West Yorkshire (one appointed by each council),
- 3 additional elected members for political balance jointly appointed by the West Yorkshire councils,
- 1 elected member appointed by the City of York Council (, and
- 1 person nominated by the LEP (the LEP Member).

Of these, the elected member appointed by the City of York Council and the LEP Member are required by statute to be 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.

The Mayor appoints one of the members of the Combined Authority as a Deputy Mayor, who will act in place of the Mayor if for any reason the Mayor is unable to act or the office of Mayor is vacant.

Strategies

The Mayor is responsible for approving the local transport plan (subject to the Combined Authority's power to make amendments – see below) and may make other strategies in relation to the exercise of any Mayoral Function, in consultation with the Combined Authority.

The Combined Authority will approve any strategy in relation to Non-Mayoral Functions. Where a Non-Mayoral Function has been conferred on the Combined Authority further to the devolution deal, the approval of that strategy requires the support of the Mayor. The Combined Authority may also amend the Mayor's local transport plan if a majority of the members agree to do so.

The West Yorkshire Investment Strategy (WYIS) is approved by the Combined Authority and is subject to confirmation by the Mayor when in office.

Budgets

There are separate budgets for Mayoral Functions (the Mayor's budget) and Non-Mayoral Functions (the Combined Authority's budget).

The Mayor may raise money by precept and has the power, with the agreement of the Combined Authority and in consultation with the business community, to raise a Business Rate Supplement to fund infrastructure investment.

The Mayor's budget is subject to approval by the Combined Authority in accordance with statutory processes. These provide that the Combined Authority may:

- approve the Mayor's draft budget, (default simple majority voting arrangement applies) or*
- veto the draft budget, and approve a budget incorporating the Combined Authority's recommendations by 5/8 majority of the members of the Combined Authority excluding the Mayor.*

Investment decisions

Decisions relating to progressing a scheme under the assurance process fall to the Combined Authority, (or a decision-making committee of the Combined Authority or officer as set out in the assurance pathway and approval route for the scheme) Any such decision by the Combined Authority which relates to exercising any Non-Mayoral Function which was conferred further to the devolution deal requires the support of the Mayor.

The Mayor may request a review of any investment decision with regards the SIF before the Mayor came into office. Any such request must be submitted by the Mayor to the Combined Authority's Managing Director within three months of the Mayor taking office. The Combined Authority will carry out the requested review at the next ordinary meeting of the Combined Authority following receipt of the request, provided that this is not within 10 working days of that meeting. If the request is received within 10 working days of the next meeting, the Managing Director may refer the request to be considered at the subsequent meeting.

The Mayor also makes any decisions which relate to Mayoral Functions (or may delegate any such decisions as set out in this Assurance Framework).

Officers

Combined Authority officers serve both the Combined Authority and the LEP. 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.

LEP Board

Membership

At least two-thirds²⁷ of the members of the LEP Board²⁸ must be private sector representatives²⁹.

The number of LEP Board members shall not exceed 20³⁰, 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 Mayor is a member of 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 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](#).

²⁷ To comply with this requirement of the National Local Growth Assurance Framework (2019) and Strengthened Local Enterprise Partnerships report (2018), new members were appointed to sit on the LEP Board on 25 February 2020, with effect of 31 March 2020.

²⁸ 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

²⁹ A private sector representative 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.

³⁰ This requirement is met as a result of the decision made by the LEP Board with regards to the LEP Board membership on 25 February 2020, with effect of 31 March 2020.

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](#).

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Appendix 5 – Economic Services: approval arrangements

The Managing Director has delegated authority to award an Economic Services grant to a company or other legal entity³¹ (“Business”) under any programme or scheme approved under the Leeds City Region Assurance Framework.

In accordance with the Conflicts of Interest Protocol, where any potential conflict arises from the involvement with a Business of any person on the 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.

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 £50k 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 |

³¹ Including a social enterprise, trust, partnership or sole trader.

Appendix 6 – 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.

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

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

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

This appendix presents the Leeds City Region assurance process as the model and framework that the Combined Authority has adopted in assisting in the selection of schemes 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 schemes 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 schemes rather than developing a separate process. This approach complements the formal technical assessment carried out by MHCLG.

Introduction to selection of schemes 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 West Yorkshire and York Investment Committee provides advice to the Combined Authority in line with the nationally agreed criteria and in line with the agreed and signed Memorandum of Understanding between the Combined Authority and MHCLG.

The West Yorkshire and York 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 Criteria³² 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.

³² Selection Criteria [here](#)

Using the assurance process principles

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

The five cases are:

- (i) Strategic: does the scheme fit with the aims of the City Region's Strategic Economic Plan? **(used for selection of schemes for SUD as part of the ESIF Strategy)**
- (ii) Economic: is the scheme value for money? **(used for selection of schemes for SUD as part of the ESIF Strategy)**
- (iii) Commercial: is there demand for the scheme and is it commercially viable?
- (iv) Financial: is the scheme affordable and sustainable?
- (v) Management: is the scheme deliverable with achievable objectives? **(used for providing advice on the selection of schemes for SUD as part of the ESIF Strategy)**

The Green Book details approaches and tools that can be adopted in order to effectively appraise schemes. It is accepted that the detail and extent of appraisal should reflect the size and complexity of schemes, 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 schemes. This means all schemes, 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 schemes and programmes.

It is the assurance process which is used to form the basis for the 'local' appraisal and selection of SUD ESIF schemes outside the formal MHCLG assessment. For the purposes of selecting SUD ERDF schemes, 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 schemes would be scored against these criteria.

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

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

This is more straightforward for some schemes than others and there is an onus on reflecting local intelligence and priorities. New jobs and catalytic schemes are 'worth' more in some areas than others simply because there are fewer jobs or because it is more difficult to create and sustain jobs in certain locations. This is especially the case where disadvantage is long-term and entrenched.

The Research and Intelligence team own and manage the Regional Econometric Model, a complex tool that enables scenarios to be assessed in terms of their net economic impact. This provides a range of outputs with a focus on impacts in terms of employment and gross value added (a measure of economic impact). These outputs can be calculated over a range of different geographies. Other approaches are used to quantify the outputs/outcomes that by their nature have a direct impact that is more social rather than economic.

In terms of the local assessment, additional measures of value for money are being used where necessary to provide more information on the potential impact of schemes. 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, provided by MHCLG, alongside MHCLG's own formal technical assessment. This provides an insight into the strengths and weaknesses, bringing together the metrics and other qualitative and quantitative information.

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Appendix 7 – Adult Education Budget

Devolution of the Adult Education Budget (AEB) is a shift from current centrally coordinated arrangements and will allow for local decisions to be taken to deliver learning opportunities aligned with the needs of individuals and employers across West Yorkshire.

Taking on these devolved powers is clearly a significant opportunity for the region. Currently around 90% of the funding is delivered without Local Authorities and the Combined Authority having a formal influence over AEB planning, and with no consequence to funding allocations if delivery does not meet local needs or align to our collective strategies.

Our devolved AEB Strategy proposes close working between Local Authorities and the Combined Authority to oversee provider delivery plans and performance, increasing the scrutiny on delivery and focussing on impact for our communities.

The Combined Authority is the accountable body in terms of assurance for AEB funding.

The table below sets out the decision making in relation to policy, funding and contract allocation for AEB functions.

Decision Making: Policy, funding, and contract allocations

| Decision | Decision maker | Rationale |
|---|--------------------|--|
| To approve or vary the AEB Strategy as required, including: <ul style="list-style-type: none">Interim review 2021 (aligning to Mayoral priorities)Refresh 2024 | Combined Authority | The Strategy governs funding principles and will be revised in line with governance and assurance processes. Conflicts of interest are managed under the Members' Conflicts of Interest policy. |
| To agree the governance arrangements for AEB functions | Combined Authority | The Combined Authority is responsible for agreeing how its functions, including AEB functions, are discharged. |
| To approve the Funding Rules and Performance Management Framework | Combined Authority | The Rules and Framework set out clear parameters for contractual decisions, which can appropriately and effectively be carried out by officers subject to strategic direction from the Combined Authority, avoiding the need for frequent referral of operational decisions to the Combined Authority. Variations and urgent amendments will be delegated to the Managing Director. |
| To reallocate budget in response to underperformance / over performance outside performance management framework. | Combined Authority | Decision on strategic funding usage. The Employment and Skills Panel may make recommendations to the |

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| | | <p>Combined Authority on any such decision.</p> <p>Approval of financial values removes any conflict of interest claims, while ensuring clear methodology has been followed which aligns to strategy.</p> |
| To make interim changes to the policy and / or AEB Strategy in response to emerging economic needs, crisis responsiveness or similar. | Combined Authority | <p>Decision on strategic funding usage.</p> <p>The Employment and Skills Panel may make recommendations to the Combined Authority on any such decision.</p> |
| <p>To determine Grant Agreement Allocations & Procurement values:</p> <ul style="list-style-type: none"> outline in October 2020 final awards in March 2021 (once West Yorkshire AEB allocation confirmed) Annually agreed in March | Managing Director | <p>Grant allocation amounts will be determined in accordance the methodology outlined in the AEB Strategy as approved by the Combined Authority.</p> <p>Approval of top line procurement values by the Managing Director while ensuring clear methodology has been followed which aligns to the Strategy.</p> |
| To agree contracts for Services awarded in March 2021, subsequent years confirmed in March annually based on performance management framework. | <p>> £1m – Managing Director</p> <p>< £1m – Director of Economic Services</p> | In accordance with the AEB Strategy, Combined Authority Procurement Strategy, Funding Rules, Performance Management Framework, and Contracts Standing Orders |
| <p>New procurement rounds:</p> <ul style="list-style-type: none"> Planned responsiveness pot Refresh after 4 years <p>Bringing on new providers in light of provider base failure</p> | <p>> £1m – Managing Director</p> <p>< £1m – Director of Economic Services</p> <p>Advised by AEB Performance Group and ESP</p> | <p>In accordance with the AEB Strategy, as approved by the Combined Authority.</p> <p>ESP may make recommendations to the Combined Authority on any such decision.</p> <p>Conflicts of interest are managed under the Members' Conflicts of Interest policy.</p> |
| To approve or vary the AEB Procurement Strategy | Sub delegated from the Managing Director to the Director of Employment & Skills / Head of Employment and Skills | In accordance with the AEB Strategy and with the Combined Authority's Procurement Strategy |
| To approve overperformance and contract Growth requests | Sub delegated from the Managing Director to the Director of Employment & Skills / Head of Employment and Skills | <p>In accordance with the mechanism set out in the Performance Management Framework, as approved by the Combined Authority.</p> <p>Technical expertise and performance data available at AEB Performance Group level.</p> |
| Underperformance and contract reduction / termination | Sub delegated from the Managing Director to the Director of Employment & | Clear mechanism will be outlined in Funding Agreements, Performance Management Framework, which will be |

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| | Skills / Head of Employment and Skills | <p>approved by the Combined Authority ahead of implementation.</p> <p>Technical expertise and performance data available through the AEB Performance Group.</p> |
| To approve Funding clawback | Sub delegated from the Managing Director to the Director of Employment & Skills / Head of Employment and Skills | <p>Clear mechanism will be outlined in Funding Agreements, Performance Management Framework which will be approved by the Combined Authority, along with Audit plans.</p> <p>Technical expertise and performance data available at AEB Performance Group level.</p> |
| To agree Delivery plans agreed annually with providers variation approval based on performance and/or responsiveness | Sub delegated from the Managing Director to the Director of Employment & Skills / Head of Employment and Skills | <p>Expertise regarding technical delivery and alignment to strategy available from the AEB Performance Group.</p> <p>Will deliver strategic aims as set by the Combined Authority.</p> <p>Employment and Skills Panel will be informed of any decisions, in line with Conflicts of Interest policy.</p> |
| To add subcontractors to delivery plans within year upon request annually | Sub delegated from the Managing Director to the Director of Employment & Skills / Head of Employment and Skills | <p>Expertise regarding due diligence and strategic appropriateness is available from the AEB Performance Group.</p> <p>In accordance with the Funding Rules which outline strict requirements regarding subcontracting practice.</p> <p>Responsiveness required in year to ensure delivery timescales are met</p> |
| To approve subcontracting where not already approved under current ESFA regulations. ESFA guidance available here . | Sub delegated from the Managing Director to the Director of Employment & Skills / Head of Employment and Skills | <p>Expertise regarding due diligence and strategic appropriateness available from the AEB Performance Group. Funding rules outline requirements regarding subcontracting practice.</p> <p>Responsiveness required in year to ensure delivery timescales are met.</p> |
| To make minor technical or process driven amendments to the Funding Rules in line with strategic direction set by the Combined Authority. | Sub delegated from the Managing Director to the Director of Employment & Skills / Head of Employment and Skills | <p>Any amendments must remain in accordance with the AEB Strategy, as approved by the Combined Authority.</p> <p>Swift decisions needed to minimise any impact of responsiveness on delivery – decisions are predominantly technical, and process driven.</p> |

10 GLOSSARY

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| ASR | Appraisal Specification Report: 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. |
| AST | Appraisal Summary Table: A summary of the key consequences relating to the environmental, economic and social impacts of schemes. They are used to help determine which schemes should proceed and if they do, to decide which options to choose. |
| BCG | Business Communications Group: 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. |
| BCR | Benefit Cost Ratio: An indicator used in cost-benefit analysis that attempts to summarise the overall value for money of a project or proposal. |
| BEIS | Business, Energy and Industrial Strategy: 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. |
| BGP | Business Growth Programme: 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. |
| BIG | Business Innovation and Growth Panel: 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. |
| CBA | Cost Benefit Analysis: 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. |
| CSF | Critical Success Factors: A management term for an element that is necessary for an organisation or project to achieve its goals. |
| DfT | Department for Transport: 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. |

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| ERDF | European Regional Development Fund: 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. |
| ESIF | European Structural and Investment Funds: Includes money from the European Social Fund, European Regional Development Fund and European Agricultural Fund for Rural Development. |
| EU | European Union: 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. |
| EZ | Enterprise Zone: 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. |
| FBC | Full Business Case: 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. |
| GPF | Growing Places Fund: Funding from the Ministry of Housing, Communities and Local Government that supports key infrastructure schemes designed to unlock wider economic growth, create jobs and build houses in England. This fund comprises of £730 million. |
| GVA | Gross Value Added: 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. |
| Green Book | HM Treasury guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project. |
| HE | Homes England: 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. |

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| HMT | Her Majesty's Treasury: 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. |
| LCR | Leeds City Region: A functional region around Leeds, West Yorkshire. |
| LEP | Local Enterprise Partnership: 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. |
| LGF | Local Growth Fund: Growth Deal funding provided to Local Enterprise Partnerships for schemes that benefit the local area and economy. |
| LIS | Local Industrial Strategy: 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. |
| LVU | Land Value Uplift 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. |
| MCA | Mayoral Combined Authority: 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. |
| MD | Managing Director: 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. |
| MHCLG | Ministry of Housing, Communities and Local Government: 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. |
| NPV | Net Present Value: The difference between the present value of the future cash flows from an investment and the amount of investment. NPV is used to analyse the profitability of a projected programme or project. |
| Nolan Principles | The seven principles of public life, which are the basis of the ethical standards expected of public office holders. |

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| OBC | Outline Business Case: 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. |
| Orange Book | HM Treasury guidance for public sector bodies on risk management. |
| PAT | Programme Appraisal Team: 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. |
| PCR | Project Closure Report: 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 schemes, resolve all open issues and formally close the project. |
| PIMS | Portfolio Information Management System: A bespoke management system used to provide transparency, consistency, efficiency and focus on delivery. |
| PMA | Portfolio Management and Appraisal Team: A team formed to ensure a rigorous approach to the assurance process, including the appraisal of schemes and monitoring and reporting on our portfolio, so we get the best schemes for our money |
| QRA | Quantified Risk Assessment: A structured approach to identifying and understanding the risks associated with hazardous activities. The assessment takes inventory of potential hazards, their likelihood and consequences. |
| RAG | Red, Amber and Green rating: Also known as the traffic light system and used as a visual cue to project performance. |
| REM | Regional Econometric Model: 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. |
| SA | Strategic Assessment: 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. |
| SEP | Strategic Economic Plan: 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. |
| SEF | Strategic Economic Framework: 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. |

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| SME | Small and Medium Enterprises: 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). |
| SOC | Strategic Outline Case (SOC) 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' |
| SUD | Sustainable Urban Development (part of the ESIF programme): Part of the European Structural and Investment Funds programme operating as an Integrated Territorial Investment Instrument, which demonstrates the value of place-based solutions in responding to social, environmental and economic challenges. The area to be covered by SUD is the City Region's urban core of West Yorkshire and York. |
| TfN | Transport for the North 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 . |
| UDM | Urban Dynamic Model: A simulation of how transport interacts with population, employment and land-use over long periods of time, typically ten years or more. It helps understand how transport could contribute to economic regeneration. |
| VfM | Value for Money: The most advantageous combination of cost, quality and sustainability to meet customer requirements. |
| TAG | Web-based Transport Appraisal Guidance: Guidance on the conduct of transport studies. It provides advice on how to set objectives and identify problems, develop potential solutions, create a transport model for the appraisal of the alternative solutions and how to conduct an appraisal which meets the department's requirements. |
| West Yorkshire Transport Levy | An annual levy on the West Yorkshire authorities, which is used to invest in priority schemes/programmes across West Yorkshire, helping to deliver a number of key transport priorities. |

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APPENDIX 2 – Assurance Process

1 Introduction

- 1.1 The Leeds City Region Assurance Framework has been subject to an extensive review due to the West Yorkshire Devolution Deal for a Mayoral Combined Authority to be established.
- 1.2 As part of this process, the assurance process has been reviewed and amended based on feedback received as part of the consultation with stakeholders.
- 1.3 The proposed amendments to the process are as follows:

West Yorkshire Investment Strategy (WYIS)

- Programmes/projects will flow from the WYIS and enter the Assurance Framework.
- The detail of the WYIS is still to be agreed but this will set out the context, objectives and targets of the MCA and the transformational investments that the MCA will commit resources to over an agreed time period (possibly 5 years).

Stage 1: Assessment and Sequencing- led by Policy

- The main change in Stage 1 is that within the Combined Authority this will be led by Policy, in close consultation with Delivery and Corporate Services.
- **Activity 1** will now provide an early stage light touch review to identify approaches / schemes that align with the transformational investments set out in the WYIS. This will be done through the use of Strategic Assessments or a similar tool as part of a sequencing / prioritisation process and will include political engagement. It is proposed that a Strategic Assessment Prioritisation Group (SAP) replaces SARG to provide this check and Challenge Review.
- The main output of Stage 1 is now **Activity 2: Strategic Outline Case (SOC)**. This will be undertaken at programme level wherever possible, to allow full appraisal and consideration of impact of the programme. Where a programme SOC is submitted it will set out the projects to be included based on the programme criteria. Projects may still be submitted however and these will have their own SOC.

Stage 2: Scheme Development- led by Delivery

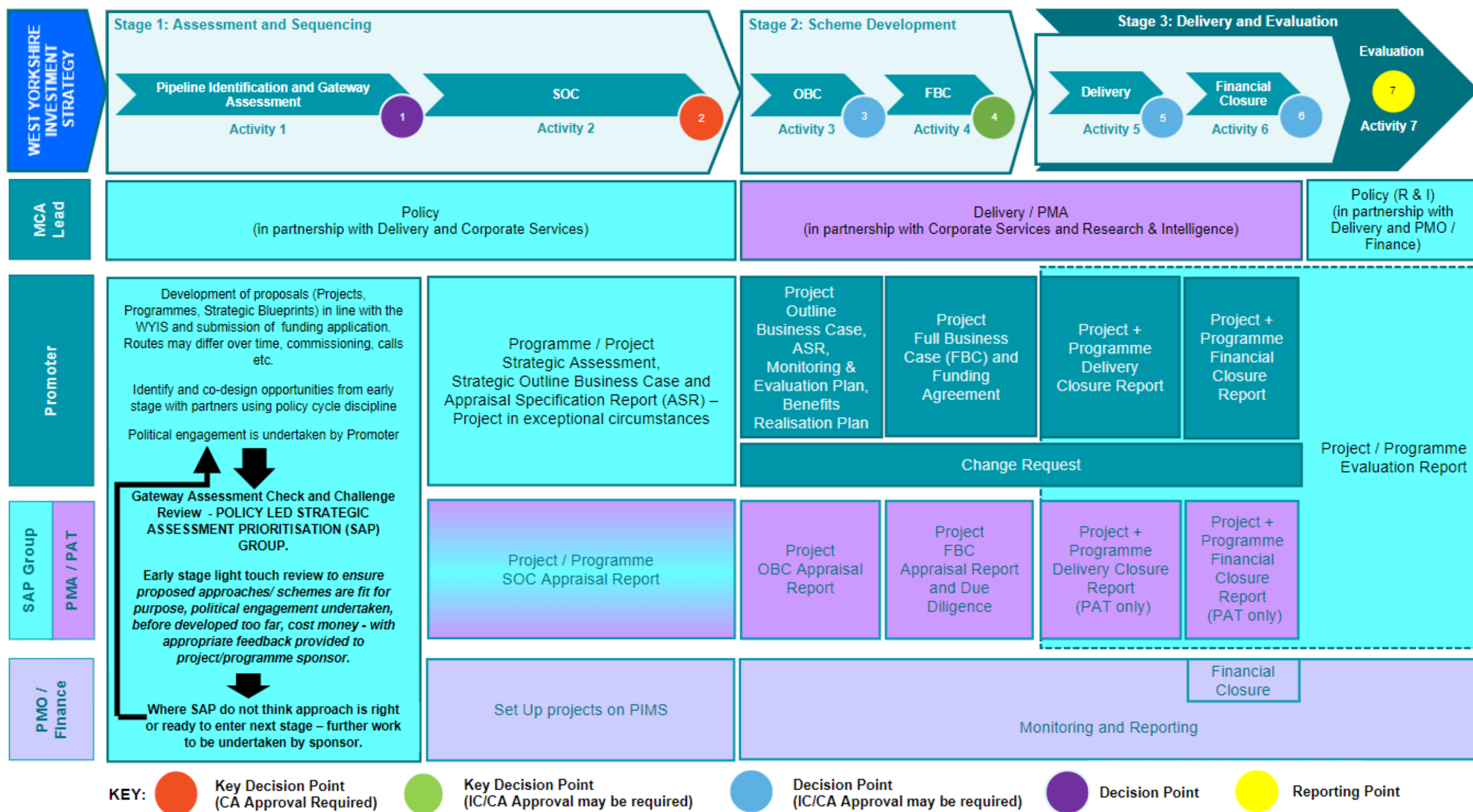
- The main change in Stage 2 is that the need for a Full Business Case with Finalised Costs has been removed.

- **Activity 3:** Outline Business Case (OBC) remains largely the same. Guidance will be provided around the level of detail expected at OBC compared to the Full Business Case (FBC) and work is ongoing with regards to proportionality of business cases. A Monitoring and Evaluation Plan and Benefits Realisation Plan are required as part of the Assurance Framework.
- **Activity 4:** Full Business Case. It is proposed that approval to progress is granted with conditions set regarding funding. When these conditions have been met, and the scheme costs have remained within the allocated budget post procurement, this is then approved to proceed into delivery by the Director of Delivery following a recommendation from the Portfolio Appraisal Team (PAT). If the conditions are not met, then the scheme would return to FBC for additional costs and impact to be considered.

Stage 3: Delivery and Evaluation- Activity 5 and Activity 6 led by Delivery and Activity 7 led by Policy (R&I)

- **Activity 5:** Delivery Closure Report and **Activity 6:** Financial Closure Report will still be undertaken as existing, but in a slightly different format.
- **Activity 7:** Evaluation will be led by Research and Intelligence. This is a reporting point as opposed to the previous decision points in the process, and will be undertaken when the Programme (or project in some circumstances), is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall programme objectives set out in the SOC. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

Figure 1: Assurance process



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Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: **Tackling the Climate Emergency – Carbon Impact Assessment**

Director: Alan Reiss, Director Policy, Strategy and Communications

Author: Matthew Page, Modelling Analyst

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|---|---|
| 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 paper provides an update on the work commissioned by the Combined Authority to develop a carbon impact assessment tool and incorporate this into the Assurance Framework. This work will ensure that the impact of proposals on the Climate Emergency are taken account of fully in decision making.

2. Information

Background

- 2.1 Given the scientific consensus that human influence is overwhelmingly responsible for changes in the global climate, addressing the climate emergency is a key priority for the Combined Authority and the West Yorkshire councils.
- 2.2 The Combined Authority declared a climate emergency and strengthened the City Region's carbon emission reduction target in July 2019. The strengthened target commits the region to achieve net-zero carbon by 2038, with significant progress by 2030. The task is challenging and will require significant and swift action to decarbonise all sectors.

- 2.3 A paper to the West Yorkshire and York Investment Committee on 1 September 2020 outlined several initiatives that are being undertaken to reduce carbon emissions to tackle the Climate Emergency. This includes strengthening how clean growth and climate change impacts are considered for all schemes coming through the Assurance Framework.
- 2.4 A methodology and supporting toolkit for assessing carbon emissions and clean growth impacts of new schemes is being developed, and the Combined Authority has appointed Mott Macdonald to carry out this work. A technical steering group, including officers from all West Yorkshire councils and York, has been established to develop the work and oversee the commission.
- 2.5 The work underway has five phases:
- Phase 1 Review of national and local examples of best practice in carbon assessment (September and October 2020)
 - Phase 2 Development of the carbon impact assessment toolkit (October 2020 to February 2021 with initial proposals available in November 2020)
 - Phase 3 Applying the toolkit to existing capital schemes currently going through the Assurance Framework (January and February 2021)
 - Phase 4 Carry out an in-depth assessment and recommend carbon mitigation measures for a shortlist of schemes in development (February and March 2021)
 - Phase 5 Carry out carbon literacy training to embed the toolkit in the Assurance Framework (February to August 2021)
- 2.6 This paper outlines the results from Phase 1 of the work. This involved:
- An external review of best practice in calculating carbon emissions and some wider environmental impacts
 - A Review of how internal decision-making practices in the Combined Authority take carbon impacts into account
 - Recommendations for what should be included in a new carbon impact assessment toolkit for the Combined Authority
- 2.7 The emerging findings of the Phase 1 report received from the contractors cover both general findings and recommendations that are relevant to particular elements of the Assurance Framework process.
- 2.8 General Findings:
- The proportionality principle should be followed when assessing the carbon impact of schemes, meaning that effort should be focused on schemes or parts of schemes likely to have the greatest impact on greenhouse gas emissions
 - A consistent set of assumptions and rules should be adopted (but see below for a comment on background assumptions)

- A requirement to assess carbon impact should apply to all project types

2.9 Specific findings in the context of the Assurance Framework:

- At Strategic Assessment (Activity 1), there should be a check on the alignment of the proposal with Carbon Emission Reduction Pathways
- At Strategic Outline Business Case (Activity 2), proposals should be subject to a qualitative screening process which assesses the wider sustainability/environmental impacts.
- At Outline Business Case (Activity 3) and possibly Full Business Case (Activity 4), there should be a quantitative assessment of the carbon impact of proposals, this will need to consider:
 - The carbon included in the construction of any infrastructure (embodied carbon)
 - The best way to present the carbon impact of the proposal so that it is meaningful for decision makers
 - The carbon impact of the proposal should be presented separately from the economic appraisal
 - What background assumptions should be used in the assessment of carbon impact such as fleet composition and traffic growth
 - How to take account of the impact of the proposal itself on behaviour and related effects such as the impact of the proposal on new development

Next Steps

2.10 Work on Phase 2 of the project has already begun. Initial findings from Phase 2 will be developed to produce firmer proposals in December. These will be reported to the Combined Authority meeting in February.

2.11 It is likely that several issues that will need to be considered when developing (Phase 2) and applying the tool (Phase 3). For non-transport schemes new techniques will need to be developed to assess carbon impact. For transport schemes, more detailed consideration will need to be given to the last two bullet points above and the assumptions made for the purposes of carbon assessment may have to be different from those used in the economic assessment. These assumptions include:

- Fleet composition and background traffic forecasts – these are highly uncertain over the appraisal period (typically 60 years), especially given COVID-19, but the assumptions used can make a significant difference to the carbon impact of a scheme, as well as to the economic appraisal.
- The impact of the scheme on traffic levels and trip making – It is often difficult to assess the specific impact of the scheme, but for the purposes of carbon assessment, this is likely to be important.
- Traffic associated with new developments and whether this should be included in the assessment of transport schemes which affect the viability or success of such developments.

- 2.12 Partner councils are already represented on the Steering Group for the Carbon Impact Assessment project. Further data about schemes progressing through the Assurance Framework may be required as part of Phase 3 (applying the toolkit to existing schemes) and this may involve requests to scheme promoters. Phase 4 (in depth assessment and recommendation of carbon mitigation measures) represents a significant opportunity for promoters to improve the carbon impact of their schemes.

3. Clean Growth Implications

- 3.1 The proposed carbon impact assessment tool should assist decision makers in taking the carbon impact of proposals into account and therefore help to facilitate clean growth.

4. Inclusive Growth Implications

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

5. Financial Implications

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

6. Legal Implications

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

7. Staffing Implications

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

8. External Consultees

- 8.1 A steering group, including officers from all West Yorkshire councils and York has been established to develop this work and oversee the commission. A representative from the LEP's Green Economy Panel also sits on the steering group, acting as a "critical friend".

9. Recommendations

- 9.1 That the Combined Authority notes the contents of this report.

10. Background Documents

- 10.1 There are no background documents referenced in this report.

11. Appendices

- 11.1 None.



Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: **Governance Arrangements**

Director: Angela Taylor, Director, Corporate Services

Author: Caroline Allen, Head of Legal and Governance Services

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

1. Purpose of this report

- 1.1 To consider nominations received from the LEP Board for the appointment of three LEP Board private sector representatives to the Combined Authority advisory committees (panels) as detailed in this report.
- 1.2 To receive the recommendations in **Appendix 1** in relation to private sector representatives of the Combined Authority advisory committees (panels).
- 1.3 To note ongoing work by the Overview and Scrutiny Committee for future reforms to the overview and scrutiny function.
- 1.4 To consider a request to authorise the Head of Legal & Governance Services to convene an Independent Remuneration Panel to advise the Combined Authority on the level of allowance for a future Mayor.

2. Information

Advisory Panel Membership

- 2.1 The Combined Authority currently appoints a number of advisory committees (panels) which advise both the Combined Authority and the LEP.

- 2.2 The LEP Constitution provides that the Combined Authority may appoint any member of the LEP Board to be a member of a Combined Authority panel or committee.
- 2.3 At its meeting on 3 September, the LEP Board considered a number of expressions of interest from new LEP Board members who wished to join the Authority's panels. As a consequence, the Board agreed to make the following nominations to the Combined Authority for membership of the panels:

| Board Member: | Organisation/ Sector | Proposed panel appointment: | Proposed term of office |
|--------------------|--|---|----------------------------|
| Helen Featherstone | Yorkshire Sculpture Park / Culture | Place Panel | to 31/12/2023 |
| Kamran Rashid | 30 Chapel Street / Third Sector | Inclusive Growth & Public Policy Panel | to 31/12/2023 |
| Kully Thiarai | Leeds 2023 / Culture | Inclusive Growth & Public Policy Panel | to 31/12/2023 |

- 2.4 The proposed terms of office are in line with the current approach to panel appointments. The Combined Authority is however asked to note that this will be kept under review and is subject to any changes in the decision-making structures and procedures of the Combined Authority and the LEP which may flow from the proposed move towards a mayoral combined authority.
- 2.5 Furthermore and subsequent to the private sector representatives recruitment exercise at the beginning of the year, a number of existing panel members' terms of office are coming to an end imminently, and it is proposed that their terms are extended as a reflection of the valuable contribution they make to the work of the advisory panels and the LEP as a whole.
- 2.6 Therefore, following nominations made by the LEP Board at their meeting on 17 November, the Combined Authority is asked to approve term of office extensions of **private sector representatives** to the advisory panels, as set out in **Appendix 1**.
- 2.7 The Combined Authority is asked to also note that appointments longer than the next municipal year **may** need to be subject to a caveat relating to any potential changes to governance arrangements further to the West Yorkshire devolution deal and in accordance with being MCA ready. For this reason it is proposed to extend the panel members' terms of office by just **one further year**.
- 2.8 The public sector membership of Panels will remain unchanged, subject to any further decisions by the Combined Authority, reflecting all ten former Leeds City Region authorities (Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, North Yorkshire, Selby, Wakefield), where those authorities wish to remain involved and there is continuing mutual strategic benefit.

Proposed Overview and Scrutiny reforms

- 2.9 The Overview and Scrutiny Committee has been considering how the existing arrangements for scrutiny may need to change in order to address the needs of the mayoral combined authority. The Committee and working group have analysed the Combined Authority's current scrutiny structure, looked at other mayoral combined authorities' scrutiny arrangements, and in particular how scrutiny operates in other regional authorities including in the Greater London Authority and in central government.
- 2.10 This will build on the desire of West Yorkshire authorities to enhance and expand scrutiny as referenced in the March 2020 devolution deal. With this will potentially come a need for increased support from the officer scrutiny team and these requirements will need to be considered in the context of the budget setting process underway.

Appointment of an Independent Remuneration Panel

- 2.11 The draft West Yorkshire Combined Authority (Election of Mayor and Functions) Order 2020 is expected to be made in January 2021 at which point the Combined Authority will take on new Combined Authority functions. It is intended to propose changes to the Authority's governance arrangements to reflect these changes at its next meeting in February 2021.
- 2.12 The Authority will subsequently take on new mayoral functions with the appointment of a Mayor for West Yorkshire in May 2021. Under the terms of the draft Order, the Combined Authority may pay an allowance to the Mayor if it has considered a report published by an independent remuneration panel (IRP) established by it which contains recommendations for such an allowance. The Authority is not bound to accept those recommendations, save that the allowance paid by the Authority cannot exceed the amount specified in the recommendations made by the IRP. The draft Order states that the IRP must consist of at least three members none of whom is also a member of the Authority, one of its committees or sub-committees or a member of a constituent council (or is disqualified from the same).
- 2.13 In order for an IRP to be convened and report in a timely manner to the Combined Authority following the making of the Order, authority is sought from the Combined Authority for the Head of Legal & Governance Services to convene the necessary IRP to make recommendations to a subsequent meeting of the Authority.

3. Clean Growth Implications

- 3.1 None.

4. Inclusive Growth Implications

- 4.1 None.

5. Financial Implications

- 5.1 There are no financial implications directly arising from this report but enhanced scrutiny arrangements may require further resource.
- 5.2 The costs of convening an IRP will need to be met by the Authority as part of the previously approved MCA ready budget.

6. Legal Implications

- 6.1 None arising directly from this report.

7. Staffing Implications

- 7.1 There are no staffing implications directly arising from this report but enhanced scrutiny arrangements may require additional resources.

8. External Consultees

- 8.1 No external consultations have been undertaken.

9. Recommendations

- 9.1 That the Combined Authority considers the nominations made by the LEP Board for additional appointments to be made to the Combined Authority's advisory panels as set out at paragraph 2.3 of this report, and, if agreed, makes the respective appointments as proposed.
- 9.2 That the Combined Authority resolves to approve the recommendations in relation to private sector representatives of the advisory panels as set out in **Appendix 1**.
- 9.3 That the Combined Authority notes the work underway on developing a future Overview and Scrutiny model, and the increased resources this may need.
- 9.4 That the Combined Authority authorises the Head of Legal & Governance Services to convene an independent remuneration panel to make recommendations to the Combined Authority as to the allowance that shall be payable to the Mayor.

10. Background Documents

- 10.1 None.

11. Appendices

- 11.1 Appendix 1 – Private Sector representatives on advisory panels

Private Sector representatives on advisory panels (as at November 2020):

| Panel | Private Sector Representative | Organisation | Sector | Current term of Office | Recommendation: |
|--------------------------------------|-------------------------------|-----------------------|---------------------|--|--|
| Business Innovation and Growth Panel | Andrew Wright (Chair) | Hainsworth Ltd | Manufacturing | 30 April 2023 | |
| | Martin Booth | Witt UK Gp | Manufacturing | 31 December 2023 | |
| | Will Roebuck | eRadar | Urban/rural digital | 14 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Mike Danby | Advanced Supply Chain | Distribution | 31 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Philip Wilson | Slipstream Design | Digital | 31 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Simon Wright | Yorkshire Bank | Financial Services | 31 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Richard Paxman | Paxman Coolers Ltd | Manufacturing | 30 April 2023 (with a further 3 year option) | |
| | David Sidlow | BorgWarner Ltd | Manufacturing | 30 April 2023 (with a further 3 year option) | |

Private Sector representatives on advisory panels (as at November 2020):

| BIG Panel | Private Sector Representative | Organisation | Sector | Current term of Office | Recommendation: |
|------------------------------------|-------------------------------|---------------------------|-------------------------|--|--|
| | Andy Peterson | Communis | Digital Comms solutions | 30 April 2023 (with a further 3 year option) | |
| | Amir Hussain | Yeme Architects | Creative | 30 June 2023 | |
| | Stephen Barker | Tarmac | Construction | 30 June 2023 (with a further 3 year option) | |
| 186 Employment and Skills Panel | Rashik Parmar (Chair) | IBM Academy of Technology | Digital | 30 April 2022 | |
| | Martin Booth | Witt Group Uk | Manufacturing | 31 December 2023 | |
| | Glynn Robinson | BJSS | Digital | 31 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Mark Cowgill | Exa Networks | Digital | 30 April 2023 (with a further 3 year option) | |

Private Sector representatives on advisory panels (as at November 2020):

| | Private Sector Representative | Organisation | Sector | Current term of Office | Recommendation |
|--------------------------------------|--------------------------------------|----------------------------|--------------------------|---|-----------------------|
| Employment & Skills Panel | Orlagh Hunt | Yorkshire Building Society | Financial services | 30 April 2023 (with a further 3 year option) | |
| | Richard Mason | | Manufacturing & retail | 30 April 2023 (with a further 3 year option) | |
| | Liz Needleman | BT | Communications & digital | 30 April 2023 (with a further 3 year option) | |
| | Amanda Stainton | Portakabin Ltd | Manufacturing | 31 May 2023 | |
| | Claire Paxman | Paxman Coolers Ltd | Manufacturing | 30 June 2023 (with a further 3 year option) | |

Private Sector representatives on advisory panels (as at November 2020):

| Panel | Private Sector Representative | Organisation | Sector | Current term of Office | Recommendation |
|----------------------------|-------------------------------|---------------------|--------------------------------|--|--|
| 188 Green Economy Panel | Simon Pringle (Chair) | Project Rome | Commercial strategy/innovation | 30 April 2023 | |
| | Bill Firth | emr group | Infrastructure/energy | 31 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Natasha Luther-Jones | DLA Piper | Legal | 31 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Alice Owen | University of Leeds | Higher Education | 31 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Richard Goodfellow | Addleshaw Goddard | Legal | 30 April 2023 (with a further 3 year option) | |
| | Ben Tongue | NHS Digital | Health/Digital | 30 April 2023 (with a further 3 year option) | |
| | Leah Stuart | Civic Engineers | Engineering | 30 April 2023 (with a further 3 year option) | |

Private Sector representatives on advisory panels (as at November 2020):

| Panel | Private Sector Representative | Organisation | Sector | Current term of Office | Recommendation |
|--|-------------------------------|---|--------------------------------|---|--|
| Inclusive Growth and Public Policy Panel 189 | Kate Hainsworth | Leeds Community Foundation | Third Sector | 30 April 2023 (with a further 3 year option) | |
| | Claire Harrison | Care Quality Commission | Digital / Health & Social Care | 30 April 2023 (with a further 3 year option) | |
| | Sam Keighley | Yorkshire Sport Foundation | Culture | 30 April 2023 (with a further 3 year option) | |
| | Karl Oxford | African & Caribbean Business Ventures Ltd | Third Sector | 30 April 2023 (with a further 3 year option) | |
| | Kamran Rashid | 30 Chapel Street Ltd | Third Sector | N/A | To nominate to the panel for a term of office to 31 December 2023 (with a further 3 year option) |
| | Kully Thiarai | Leeds2023 | Culture | N/A | To nominate to the panel for a term of office to 31 December 2023 (with a further 3 year option) |

Private Sector representatives on advisory panels (as at November 2020):

| Panel | Private Sector Representative | Organisation | Sector | Current term of Office | Recommendation |
|---|-------------------------------|--------------------------|------------------------------|------------------------|---|
| Place Panel | Andrew Latchmore | Shulmans | Legal/ Professional services | 14 December 2023 | |
| | Amir Hussain | Yeme Architects | Creative | 30 June 2023 | |
| | Helen Featherstone | Yorkshire Sculpture Park | Culture | N/A | To nominate to the panel for a term of office to 31 December 2023 (with a further 3 year option) |
| Business Investment Panel 190 | Simon Wright | Yorkshire Bank | Financial Services | 31 December 2020 | To endorse his membership of the panel and to extend the term of office to 31 December 2021 |
| | Michael Allen | NatWest | Financial Services | 3 January 2021 | To endorse his membership of the panel and to extend the term of office to 3 January 2022 |
| | Jonathan King | Medusa Holdings Ltd | Manufacturing | 3 January 2021 | To endorse his membership of the panel and to extend the term of office to 3 January 2022 |
| | Gareth Yates | Ward Hadaway | Professional Services | 3 January 2021 | To endorse his membership of the panel and to extend the term of office to 3 January 2022 |
| | Colin Glass | WGN | Professional Services | 26 September 2021 | |



Report to: West Yorkshire Combined Authority

Date: 10 December 2020

Subject: Minutes for Information

Director: Angela Taylor, Director, Corporate Services

Author(s): Ruth Chaplin, Governance Services Officer

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

1. Purpose of this report

- 1.1 To provide Members with details of the minutes of committees and panels that have been published on the West Yorkshire Combined Authority's website since the last meeting.

2. Information

- 2.1 The following minutes have been published on the West Yorkshire Combined Authority's website and can be accessed [here](#):

- Investment Committee held on 5 November 2020
- Overview & Scrutiny Committee held on 13 November 2020
- LEP Board held on 17 November 2020
- Green Economy Panel held on 18 November 2020

3. Clean Growth Implications

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

4. Inclusive Growth Implications

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

5. Financial Implications

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

6. Legal Implications

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

7. Staffing Implications

7.1 There are no staffing implications directly arising from this report.

8. External Consultees

8.1 No external consultations have been undertaken.

9. Recommendations

9.1 That the minutes of the Combined Authority's committees and panels be noted.

10. Background Documents

10.1 There are no background documents referenced in this report.

11. Appendices

11.1 None.