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

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Subject: **Corporate performance**

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1. Purpose of this report

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

2. Information

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

Budgets

- 2.2 Capital and revenue budgets for the Combined Authority and LEP are monitored on a monthly basis.
- 2.3 A summary of the 2018/19 revenue budget and spend as at February 2019 is attached at **Appendix 1** A RAG rating has been included to identify budgets that need further review. There are no 'red' areas of concern to report.
- 2.4 The approved annual budget included a £1.4m deficit to be funded from general reserves. The forecasts undertaken in the late autumn suggested that expenditure was being managed within this figure and had indicated a £1.0m deficit by the year end. Work is currently underway to finalise the year end position, with early indications that the position will improve further.
- 2.5 The capital budget performance is included elsewhere on today's agenda.
- 2.6 The budgets for the current year 2019/20 were approved at the Combined Authority meeting on 14 February 2019. The approved revenue budget is

attached at **Appendix 2** and the indicative capital programme is shown in the table below.

Summary Capital Programme

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

Performance against these approved budgets will be reported on during the year.

Corporate performance

- 2.7 The 2018/19 Corporate Plan for the Combined Authority set out three key long term ambitions for the organisation of boosting productivity, enabling inclusive growth and delivering 21st Century transport, with a key focus on delivery and devolution to achieve these. In order to measure the specific contribution of the Combined Authority towards these long term strategic goals, a set of 15 headline performance indicators was also developed. A copy of these indicators with details of the results achieved against these in the 2018/19 financial year is provided at **Appendix 3**.
- 2.8 The majority of headline indicators for 2018/19 have been met with nine assessed as 'green', eight of which have exceeded the original target set. There have been some notable successes in 2018/19 which include:
- Supporting over 2,900 business to grow and become more productive through the Business Growth Service
 - Supporting the creation of over 1,900 jobs through our trade and investment activity
 - Reaching over 14,000 disadvantaged students with targeted support on employment on employability, enterprise and careers education
 - Improving over 1,500 homes and saving 117,000 tonnes of carbon through our Better Homes Yorkshire scheme – warming homes and helping residents save money on their bills

2.9 Two indicators are assessed as 'amber' and are therefore expected to narrowly miss meeting the stated target. In total four indicators have been assessed as red in 2018/19 and in all cases the reasons for not achieving the anticipated targets largely relate to external factors outside of the direct control of the Combined Authority. Further detail about those indicators which have been assessed as red in 2018/19 and the factors which have led to this, is provided below:

- **The delivery of refurbished floorspace through skills capital projects** is currently fully met in 2018/19, due to an unanticipated delay in the programme for one of the key projects.
- **Supporting individuals to upskill in skills shortage areas** is not met as it relied on the delivery of two new ESIF (European Structural and Investment Funds) funded projects. Delays in contracting at the Department for Work and Pensions (DWP), the managing agent, have delayed the start of the [re]boot programme by seven months and the Employment Hub by nine months. Contracts have however now been signed and delivery will begin shortly so outputs have been rolled into 2019/20.
- **Supporting businesses to offer apprenticeships** is also not met as this too relied on the ESIF Employment Hub funding which was delayed by 9 months. Contracts have now been signed and delivery will begin shortly so outputs have been rolled into 2019/20. The low level of demand for the AGE grant has also impacted performance and a revised criteria has now been implemented to address this in 2019/20.
- The target of **increasing MCard smart ticket sales by 10%** has not been met over the course of the year. There have been however been some areas of significant growth in relation to young people's smart ticketing products which have exceed expectations. Sales of adult season ticket smart tickets have however remained largely static. To reflect this imbalance the West Yorkshire Ticketing Company Ltd reviewed their overall strategy in this area part way through the year and set a revised target to increase overall smart ticket MCard sales by 3-5%. The learning from this (which has been reflected in the 2019/20 performance measures), is that a series of individual, more specific targets for different segments of the market is likely to provide more useful in-year performance information.

2019/20 LEP Annual Delivery Plan

2.10 As LEP Board members will be aware, the Strengthened Local Enterprise Partnerships report established a new requirement for all LEPs to produce an annual delivery plan from 2019/20 onwards, to clearly set out proposals and targets for the year ahead. In addition from April 2020, an annual LEP review document is also required in order to provide an overview of performance against the previous year's delivery plan.

2.11 Members of the LEP Board considered the draft content for the Leeds City Region's 2019/20 delivery plan at their meeting of 26 March. In addition this also included a summary of LEP performance in 2018/19, which, while not

formally required this year, was considered to provide an important addition to the Region's first LEP delivery plan document. The Board agreed that final approval of the content of the document be delegated to the Combined Authority's Managing Director, in consultation with the LEP Chair.

- 2.12 Following the March LEP Board meeting further work was undertaken to design the document and a final copy of the LEP delivery plan and annual review is provided at **Appendix 4**. As previously reported to the LEP Board as well as being presented as a standalone document, the delivery plan will also form an integral part of the overarching Combined Authority Corporate Plan for 2019/20. The design of the Corporate Plan is currently being finalised and it is due to be presented to the Combined Authority at their meeting of 27 June.

Audit

- 2.13 The internal audit plan as approved by the Governance and Audit Committee of the Combined Authority covers the activities of the whole organisation. The 2019/20 plan is available [here](#). It is a requirement of the Assurance Framework that the outcome of relevant internal audit assignments undertaken are provided to the LEP Board. At this stage of the year no audit assignments have been completed for 2019/20.

3. Financial Implications

- 3.1 As set out in the report.

4. Legal Implications

- 4.1 None arising directly from this report.

5. Staffing Implications

- 5.1 None arising directly from this report.

6. External Consultees

- 6.1 None.

7. Recommendations

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

8. Background Documents

- 8.1 None.

9. Appendices

Appendix 1 – 2018/19 revenue spend against budget

Appendix 2 – 2019/20 approved revenue budget

Appendix 3 – 2018/19 corporate performance snapshot
Appendix 4 – LEP Annual Delivery Plan 2019/20