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

Date: 18 July 2019

Subject: **Corporate Performance Report**

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

Budgets

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

Corporate performance

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

2019/20 Corporate Plan and LEP Annual Delivery Plan

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

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

Corporate risk update

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

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

Audit

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

Scrutiny

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

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

3. Financial Implications

3.1 As set out in the report.

4. Legal Implications

4.1 None arising directly from this report.

5. Staffing Implications

5.1 None arising directly from this report.

6. External Consultees

6.1 None.

7. Recommendations

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

8. Background Documents

8.1 None.

9. Appendices

Appendix 1 – 2018/19 revenue spend against budget

Appendix 2 – 2018/19 Corporate Risk Update