

**Corporate Risk Update**

Combined Authority risk appetite levels

	<b>Low ↔ High Appetite</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
<b>Legal Compliance and Regulation</b>	1					This is something for which the Combined Authority has no appetite for and expects minimal exposure to risk. Where it relates to a service which must be provided, significant controls must be in place.
<b>Safety and Security</b>	1					
<b>Finance and Resources</b>		2				There is a preference for what are deemed to be 'safe' options where there is a reduced degree of risk. Good controls are expected to be in place where risk remains.
<b>Reputational</b>		2				
<b>Environmental</b>		2				
<b>Service Delivery and Operational</b>			3			The Combined Authority accepts a level of risk may remain in the delivery of services in pursuit of our corporate priorities. The chosen option must present a healthy level of reward in relation to the risk faced.
<b>Transformational Change</b>				4		This is an area in which the Combined Authority has an increased appetite for risk. More uncertainty can be tolerated in seeking opportunities for improvement, commercialisation or innovation.
<b>Development and Regeneration</b>				4		

Corporate risk summary

		Probability	Impact	Mitigation summary	
<b>Very high x4</b>	CRR - SD1	<p><b>There is a risk that</b> we fail to fully deliver projects and programmes (i.e. Growth Deal) within timescales or budget, or with the anticipated level of benefits, <b>due to</b> over-optimistic profiles, capacity within District partners and recruitment and retention challenges.</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Significant monitoring and controls in place through PMO</li> <li>• Continuing support through 'District Pool' project resource</li> <li>• Call for projects to ensure healthy pipeline of projects/ programmes (2017)</li> <li>• Reviewing WY+TF portfolio with Chief Highways Officers</li> <li>• Review of housing outputs underway with district partners</li> </ul>
	CRR - SD2	<p><b>There is a risk that</b> there are challenges and disruption to the way in which the Combined Authority provides services and the resources available to deliver those, <b>due to</b> uncertainty surrounding the UK's future relationship with the EU.</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Brexit working group in place with Director representation and links to West Yorkshire Resilience Forum</li> <li>• Ongoing liaison with Bus Operators for reassurance on preparation for fuel or labour shortages</li> <li>• Communications and media campaign has increased to focus on effective signposting and support</li> <li>• Monitoring of legislative developments</li> <li>• Additional grant funding available to support local businesses</li> <li>• Secured additional resources, and refocussed existing ones, to support more businesses to prepare for Brexit and to gain a better understanding of impacts/opportunities on the economy.</li> <li>• Identifying any projects which may be vulnerable to shortages in skilled labour or supply chain disruption</li> </ul>
	CRR -FR3	<p><b>There is a risk that</b> the Combined Authority does not secure an enhanced devolution deal or secure extensions to current funding agreements, <b>due to</b> government policy and failure to secure local agreement.</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Devolution discussions continuing as a key priority</li> <li>• Development of pipelines to be 'bid' ready</li> <li>• Development of devolution 'Asks'.</li> </ul>
	CRR - SD5	<p><b>There is a risk that</b> there will be a major impact on achievement of organisational objectives and/or a need to reconsider objectives and divert resources, <b>due to</b> a major unanticipated change in national policy (Brexit; major change in govt policy).</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Continued dialogue with Government</li> <li>• Policy and Strategy directorate continuing to monitor emerging national trends</li> <li>• Continued work with local LEPs and Combined Authorities</li> </ul>

		Probability	Impact	Mitigation summary	
High x6	CRR-FR1	<b>There is a risk that</b> key services will cease and the knowledge and expertise we have developed to deliver them will be lost, <b>due to</b> uncertainty surrounding the availability and timing of future funding streams.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Ongoing budget discussions with District partners</li> <li>• Ongoing devolution discussions with key stakeholders and Government, including the UK Shared Prosperity Fund</li> <li>• Regularly reviewing additional funding opportunities</li> <li>• Preparation of a submission to the 2020 Spending Review</li> <li>• Ongoing liaison with BEIS/DIT regarding continued funding</li> </ul>
	CRR-DR1	<b>There is a risk that</b> a major contractor/supplier/recipient of Combined Authority funding encounters significant financial difficulties, or enters administration or liquidation, and are therefore unable to deliver agreed projects, <b>due to</b> current uncertainties within the construction industry.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Contractual KPIs &amp; penalty clauses</li> <li>• Agreed escalation routes in contracts</li> <li>• Ability to de-scope via change requests with partner buy-in</li> <li>• Embed security measures into as many contracts as possible e.g. bond, legal charge, priority in lending hierarchy</li> <li>• Regular financial checks in place through Procurement &amp; contract/loan monitoring</li> <li>• External consultants procured to advise on future investment strategy/due diligence processes for more commercial deals</li> </ul>
	CRR-FR2	<b>There is a risk that</b> there is insufficient floorspace to generate projected business rates income, <b>due to</b> challenges in bringing forward Enterprise Zone sites within Growth Deal funding and occupier incentive timescales.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Progress policy gap workstreams in parallel with Delivery</li> <li>• Progress detailed due diligence &amp; potential funding/overage agreement negotiations</li> <li>• Identify other potential land/property income streams for GD monies</li> </ul>
	CRR-SS1	<b>There is a risk that</b> a major accident or injury occurs at a Combined Authority facility, <b>due to</b> the high volume of people and inherent operational risks present in a bus station, transport interchange or Combined Authority facility.	Unlikely 2	Critical 5	<ul style="list-style-type: none"> <li>• Health and safety policies, procedures and processes in place</li> <li>• Staff training</li> <li>• Ongoing review of Health and Safety risks</li> <li>• Working with district emergency planning units to share knowledge and develop joint plans</li> <li>• Continued working with police on preventative measures</li> <li>• Business Continuity and Disaster Management workshops taking place at corporate level</li> </ul>
	CRR-DR2	<b>There is a risk that</b> significant travel disruption arises from the implementation of major transport investment programmes, <b>due to</b> their intrusive nature, and a lack of effective communication or co-ordination.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Close working with programme sponsors on phasing out of construction</li> <li>• Mitigating travel arrangements</li> <li>• Creation of a 'travel demand management plan' to inform and influence travel behaviours</li> <li>• Economic analysis taking place to further assess current situations and potential future risks</li> </ul>
	CRR-SD3	<b>There is a risk that</b> there is a substantial reduction or alternation of services to customers, <b>due to</b> the business failure, sale, or substantial change in bus/rail providers.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Close relationships with operators to obtain early warnings</li> <li>• Dialogue with DFT, TFN</li> <li>• Work commissioned and in progress to consider future bus options</li> </ul>



		RED	significantly off track and at risk of not being achieved
		AMBER	at risk of not being fully achieved, intervention measures in place
		GREEN	considered to be completed/on track to be complete/achievable
<b>West Yorkshire Combined Authority Corporate Plan 2019/20: Results for Apr - Nov 2019</b>			
Corporate Plan Commitment (We will)	Target	Apr - Nov/Dec 2019 results and RAG status	Notes
<b>Corporate Plan Key Performance Indicators</b>			
Invest in services and projects worth £398 million to benefit local people and the economy	£398,000,000	£138.8m	Combination of revenue and capital spend.
Support 3,000+ businesses	3000+	2236	
Invest £105 million of Growth Deal funding in major infrastructure schemes	£105,000,000	£17.4m (Q1&2 Only)	This figure is reported quarterly only and represents Quarter 1&2. The current forecast for spend is below target and as such mitigating actions are currently being developed and put in place.
Enable 20 million passenger journeys per year	20,000,000		On track to deliver 15% of all social necessary journeys, which last year equated to 20 million passenger journeys
Support 18,000 disadvantaged students	18,000	11,937	On track
Complete projects to warm 750 homes and make them more energy efficient	750	526	Projects are progressing well, with the majority of properties improved funded through Warm Homes or Energy Company Obligation.
<b>Boosting productivity</b>			
Support businesses in the City Region through the Brexit process and help them to manage the opportunities and challenges it may present	Ongoing throughout 2019/20		Action plan in place and some new/adapted products and services have been developed, including the recruitment of additional Growth Managers to engage with SME business base and development of a scheme to help SMEs access professional and technical advice on Brexit impacts.
Support 3,025 businesses in our region to grow and become more productive (with 1,035 receiving intensive support)	3025 (1,035)	2236 (887)	On track: 2236 businesses and 887 of these are receiving intensive support.
Develop 5 new business support programmes to respond to the changing economy and business needs, including a scheme to support 60 firms to secure new investment	5	2	Three programmes in delivery focussed on business resilience, investment readiness and the creative & digital sector with three others in development focussed on resource efficiency, innovation and strategic business planning.
Help 350 businesses to increase their overseas export activity	350	132	Increased priority in response to Brexit opportunities. Additional opportunities to increase activity currently being explored
Maximise the opportunities created by Channel 4's HQ relocation by securing additional investment in the creative and digital sectors	Ongoing throughout 2019/20		#Grow, created to support digital businesses with an existing presence in the Leeds City Region who are growing and creating new jobs, was launched at Halifax Digital Festival in September. This compliments the existing #Welcome, which supports digital businesses moving into the City Region.
Attract global investors to the region creating 1,700 jobs	1,700	680	On track
Continue to deliver development projects for our Enterprise Zones	Ongoing throughout 2019/20	Ongoing	Progress on key development sites. Funding Agreement has been completed with the developer who is mobilising to start on site October 2019 for Gain Lane. An Outline Business Cases for Parry Lane was submitted on 4th Nov 2019 and an FBC+ was submitted for South Kirby by 4th Nov 2019. South Kirby to start on site in March 2020.
<b>Enabling inclusive growth</b>			
Embed inclusive growth principles in our business support programmes, including ensuring 75 per cent of jobs created in businesses receiving grants through our capital grants programme pay the Real Living Wage or above	75%	76%	
Develop an Inclusive Growth Strategic Framework for the City Region	By the end of 2019/20	On track	Draft Framework is being consulted upon with stakeholders. The Framework will provide an economic rationale for delivering more Inclusive Growth in Leeds City Region, in particular against the following four proposed outcomes of: Good Work, Transferable Skills, Connectivity and Wellbeing. The intention is to present the Framework to the LEP and Combined Authority in April
Deliver an enhanced model of employability, enterprise and careers education to disadvantaged young people	18,000	11,937	On track to achieve annual target
Enable 1,000 businesses to engage with education and skills initiatives, with 800 supported to offer apprenticeships	1,000	638 (339)	Businesses engaged in skills products are slightly below target. This is mainly due to the low level of demand for the AGE grant and significant flux in the apprenticeship landscape at a national level. A new Levy Transfer Service has been launched to support SME apprenticeships with outputs likely to be reported in the next financial year.
Connect 5,277 homes and businesses in our City Region to super-fast broadband	5,277	4678	Targeting those areas where broadband infrastructure would not normally be provided on a commercial basis.
Provide accessible transport services for 5,000 people with personalised transport needs	5000 active passengers	4855 active passengers	Following completion of dedicated vehicle refurbishment, there will be a campaign to raise awareness of the services provided and encourage more users with mobility issues or personalised transport needs, to access support transport services.
Enable 40,000 young people to travel from home to school by coordinating services on behalf of our partner councils, with an investment of £3 million a year	40,000	On track	Early indications show we are on track to achieve the targeted number of pupils and young people
<b>Delivering 21st Century transport</b>			
Invest £60 million from our Growth Deal in improvements to bus, road and rail travel	£60,000,000	£13.4m (Q1&2 Only)	This figure is reported quarterly only and represents Quarter 1&2.
Continue developing the bus alliance with operators to deliver better and affordable services for passengers	100%	100%	Bus Alliance signed off by Transport Committee on 5th July. Next step before next quarter is for legal agreement to be signed.
Develop plans to build new railway stations at Elland, Leeds Bradford Airport, White Rose and Thorpe Park, working closely with our partners and local communities	100%	Ongoing	Outline Business Case (OBC) for Elland has been approved. OBC for White Rose approved. OBC in development for LBA for Investment Committee and Combined Authority in February 2020. OBC for Thorpe Park delayed due to Trans-Pennine Route Upgrades. This has been flagged as Amber at a programme level.
Complete major new road schemes to reduce congestion on key commuter routes, including the Glasshoughton Southern Link Road and York Outer Ring Road	100%	Ongoing	Work on these schemes currently in progress. Glasshoughton Southern Link Road is in delivery, Phase 1 of the York Outer Ring Road has completed. The East Leeds Orbital Road is expected to start on site this year. East Leeds Orbital Road has completed Phase 1, phase 2 (design works) are at handover stage and the main contract for the phase 3 development is to be let imminently.
Continue to influence regional and national transport investment programmes, attracting more investment to our region	Ongoing throughout 2019/20		Ambitious bids submitted to the Transforming Cities Fund and on Future Mobility
Continue to develop our transport services by increasing digital payment options and information displays, to make services easier and more convenient for people to use	Ongoing throughout 2019/20	Ongoing	Delivery of Digital Strategy commenced with development of the MCard QR code ticketing app. User testing is scheduled for February 2020, with the launch of Phase 1 shortly after. When delivered, customers will be able to purchase MCard tickets via their smartphone and no longer require a plastic smartcard. 490 Real time screens are now installed in the Leeds district as part of the Leeds Public Transport Investment Programme (LPTIP). The Bus Information Strategy was approved by Transport Committee in November and a programme of improvements and changes is now in development.
Increase sales of MCard by 5 per cent, resulting in over £34 million worth of MCards being purchased over the year	£34,000,000	£22.5m	YTD MCard sales (off bus) are £18.2m. Whilst still slightly behind last year, sales are improving and have been higher than 2018/19 for the last few months, however, a marketing campaign was delivered in December to promote the use of MCard over the festive period and a price change was introduced in January
<b>Supporting clean growth</b>			
Enable 750 households to be warmer, save money and become more energy efficient through our Better Homes Yorkshire programme	750	526	Projects are progressing well, with the majority of properties improved funded through Warm Homes or Energy Company Obligation.
Continue the delivery of seven flood prevention schemes to reduce the risk of flooding and protect communities and businesses supported by our Growth Deal	7	6	6 schemes are either in delivery or have completed. 3 further schemes are in development and will move into delivery in 20/21, subject to business cases approval.
Provide sustainable travel advice to businesses, recruiting an additional 96 employer members to our Travel Plan Network	96	61	The team are currently involved in a proactive business engagement campaign to attract new members and are hopeful that the target will be met as a result
Support a further 88 businesses to save money on their energy bills and use less water and waste through resource efficiency funding and advice	88	65	On track.
Contribute to cleaner air by installing 88 ultra-low emission vehicle (ULEV) charging points for taxis with a goal of making 5.1 per cent of our region's taxis ULEV by 2020	88 ULEV charging points for taxis and making 5.1 per cent of our region's taxis ULEV by 2020	17 installations	17 charging points have been installed to date. 27 installations have commenced, 17 being open to the public. A number of issues with weather and concluding agreements has resulted in delays to delivery. An extension has been approved from Office for Low Emissions Vehicles (OLEV) to extend the programme to 31st July 2020.
Set out how we will work with our partners to achieve ambitious carbon reduction targets for the Leeds City Region, to become a net zero carbon city region by 2038 at the latest, with significant progress by 2030	Ongoing throughout 2019/20		To achieve the target of reaching net zero carbon by 2038, with significant progress by 2030, it is estimated that 209 MtCO2 will need to have been saved. This is equivalent to halving carbon emissions every five years. Projects identified in the Leeds City Region Energy Strategy and Delivery Plan (ESDP) would, if implemented today and in full, save approximately 59 MtCO2, meaning that working with partners across the region to deliver ambitious projects in key sectors is critical. Steps in the current year are crucial to providing the evidence base and direction for this ambition. In particular, science-based targets were established in Q1, followed by extensive stakeholder engagement culminating in a series of industry workshops, the creation of the Climate Coalition and the setting of the target in early-July. Development of a corporate policy and action plan were progressed during Q2, and was endorsed by the CA in October.
Begin detailed feasibility work on 10 projects within the new Energy Strategy and Delivery Plan that will enable us to meet our region's energy needs and generate clean, low carbon energy	10	-	REF2 application submitted & Clean Growth audit is now complete. Corporate Clean Growth Policy and Action Plan approved by the Combined Authority and LEP. The Energy Accelerator is working with 16 low carbon projects that will result in approx. 25000 tCO2 saved annually. An Emissions Reduction Pathways Study has commenced. 4 regional sector specific workshops were held in July. Launched the strengthened Net Zero Carbon City Region Target. Completed a carbon budget study for the City Region. Secured £100k from the Business Rates Pool for Tackling the Climate Emergency. Developing 4 collaborative projects with local authority partners. Developing a domestic energy efficiency scaling up study. Better Homes Yorkshire is on track to deliver energy efficiency improvements in over 1000 homes in 19/20