



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

Date: 10 June 2020

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.

Budget Monitoring 2019/20

- 2.2 Draft annual accounts have been produced in line with the agreed timetable and have been published on 5 June 2020. The intention is to have the final accounts approved on 30 July by the Governance and Audit Committee.
- 2.3 The reforecasted budget approved in February set out an estimated £0.37 million surplus by the end of the year. This would leave the general reserves forecast to be approximately £7 million as at the end of the financial year. At the time the budget was approved it was expected that this level of general reserves would be required to help manage emerging pressures including Brexit, work on bus options following the announcement of the proposed sale of First Group's bus operations and 'cliff edge' funding for a range of projects and some of the initial costs of transitioning to a mayoral combined authority. The COVID-19 pandemic is impacting on the revenue and capital budgets in 2020/21 and work is underway to consider whether an element of the general reserves will be needed to meet some of the funding gap. The draft accounts show actions taken in year have helped to increase the year end reserves.

2019/20 Corporate Plan and LEP Annual Delivery Plan

- 2.4 In line with the requirements of the Strengthened Local Enterprise Partnerships agenda, the first LEP Annual Delivery Plan was published in May 2019. This Delivery Plan sets out the detailed proposals and targets for the LEP in 2019/20 financial year.
- 2.5 The LEP Annual Delivery Plan has been designed as a standalone document, but also forms an integral part of the organisation's overarching Corporate Plan, which sets out the priorities for the Combined Authority and the LEP as a whole. The wider Corporate Plan is structured around four overarching corporate priorities of Boosting productivity, delivering 21st Century transport, enabling inclusive growth and supporting clean growth.
- 2.6 In order to measure the organisation's specific contribution to meeting these four corporate objectives, a set of key performance indicators have been developed and are routinely monitored. A summary of progress against these indicators for the 2019/20 year is provided in **Appendix 1** as part of the wider corporate performance snapshot. This does not yet provide a full year end picture due to the time lag associated with collection of some year-end data.
- 2.7 The analysis of performance against objectives to date reflects a positive position overall. Most of the indicators are assessed as green, indicating objectives supporting the strategic aims and themes for the region are on track to being achieved.

2020/21 Corporate Plan and LEP Annual Delivery Plan

- 2.8 The Combined Authority approved the 2020/21 budget and accompanying business plans for the organisation at their meeting of 6 February 2020. This sets out the detailed objectives to be delivered by the Combined Authority and the LEP over the next financial year.
- 2.9 The detailed business plans have been used as a basis for compiling the LEP Annual Delivery Plan for the 2020/21 financial year, alongside an Annual Review document which provides an overview of performance against the previous year's delivery plan. This draft combined document was considered at the April meeting of the LEP Board.
- 2.10 There is a requirement to produce an annual LEP financial statement and these figures will be used to complete the LEP Annual Delivery Plan. Draft annual accounts have been published pre-audit. The pre-audit LEP financial statement is attached as **Appendix 2** for consideration and will be finalised at the conclusion of the audit.
- 2.11 Following the feedback provided by Members of the LEP Board at their April meeting work has been undertaken to finalise the LEP Annual Delivery Plan and Review document. This is now in the final design stages and as previously agreed the final approval for the document will be provided by the Chair of the LEP Board and the Managing Director.

Corporate Risk Update

- 2.12 In line with the provisions of the corporate risk management strategy, regular review of the key strategic risks affecting the organisation continues to be undertaken and the corporate risk register updated accordingly.
- 2.13 A summary of the headline strategic risks is included at **Appendix 1** to this report. The key change since the last reporting period is the inclusion of three overarching corporate risks concerning the impacts of the COVID-19 pandemic. These relate to the financial impacts of the pandemic, the ongoing ability to deliver as intended against key corporate objectives and the delivery of frontline and business as usual services.
- 2.14 These overarching risks are supplemented by detailed operational risks which are being managed through the Combined Authority's Gold command incident response structure, which is coordinating the response to, and recovery from, the COVID-19 pandemic.

Internal Audit

- 2.15 The internal audit plan as approved by the Governance and Audit Committee of the Combined Authority covers the activities of the whole organisation. No further audit assignments specifically on LEP activities have been completed since the last meeting. The draft 2020/21 Audit Plan was considered and approved by the Governance and Audit Committee meeting of 12 May 2020. The agreed plan is at **Appendix 3**.
- 2.16 The plan will be subject to ongoing review, overseen by the Governance and Audit Committee, throughout the year. This will particularly take account of changes required due to the current COVID-19 crisis and the work being undertaken on moving to a Mayoral Combined Authority following the announcement of the devolution deal.

Overview and Scrutiny Committee

- 2.17 The Overview and Scrutiny Committee has not met formally since the last meeting of this Board. It held an informal workshop on 22 May to consider how it would engage with the devolution work and in particular how it could inform the scrutiny function in the new mayoral combined authority.

3. Clean Growth Implications

- 3.1 The need to meet clean growth objectives is recognised in the risk register.

4. Financial Implications

- 4.1 As set out in the report.

5. Legal Implications

5.1 None arising directly from this report.

6. Staffing Implications

6.1 None arising directly from this report.

7. External Consultees

7.1 None.

8. Recommendations

8.1 That the LEP Board consider the corporate performance information provided, including the draft LEP financial statement.

9. Background Documents

9.1 None.

10. Appendices

Appendix 1 – Corporate performance update (KPI & risk) 2019/20

Appendix 2 – Draft LEP financial statement 2019/20

Appendix 3 – Internal audit plan 2020/21