



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

Date: 3 September 2020

Subject: **Corporate Performance Report**

Director: Angela Taylor, Director, Corporate Services

Author(s): Jon Sheard, Head of Finance

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.

Revenue Budgets

2019/20

- 2.2 A final outturn (unaudited) for 2019/20 is a £1.3 million surplus which is an additional £0.9 million and puts the general reserves at approximately £8 million. The improved year end position is mainly attributable to the additional interest earned on short term investments due to the delays in the grant funded capital programme (£0.9 million), savings in bus operator payments (£0.2 million), savings across all supplies and services (£0.4 million) and these offset by reduced income compared to that previously forecast (£0.5 million). The final (unaudited) revenue budget position for 2019/20 is attached at **Appendix 1**.

2020/21

- 2.3 A balanced budget was approved by the Combined Authority meeting on 6 February 2020. Work is underway on whether a revised revenue budget for 2020/21 is required to account for the impact of Covid-19. The current estimated impact was considered by the Member's Budget Working Group in

June 2020 and by the Combined Authority on 27 July 2020, with further work taking place over the summer.

- 2.4 A summary of the 2020/21 current revenue spend to original budget as at June 2020 is attached at **Appendix 2**. A new format is presented, including a RAG rating to help identify those budget lines that are a concern. There are a number of emerging 'red' areas of concern to report. These are related to the Covid-19 pandemic. Key impacts are being felt across commercial income, bus station costs, commission from travel card / MCard sales, bus revenues (for gross cost contracts) and transport service costs. These forecasts have been shared with the Ministry of Housing, Communities and Local Government (MHCLG), and transport elements with Department for Transport (DfT). To date the DfT has approved some additional bus subsidy grant nationally, a proportion of which has come to West Yorkshire and there is also the possibility of some further relief on sales, fees and charges.

Statutory accounts 2019/20

- 2.5 There is a statutory requirement for approval of the annual accounts by 31 July each year, though for 2019/20 this has been extended to 30 November 2020. Audit work has now been largely completed with no problems identified and the audited accounts will be presented for approval to the Governance and Audit committee in October 2020.

2020/21 Corporate Plan and LEP Annual Delivery Plan

- 2.6 In line with the requirements of the Strengthened Local Enterprise Partnerships agenda, the inaugural LEP Annual Delivery Plan was published in May 2019. A draft LEP Annual Delivery Plan for 2020/21 was presented to the April LEP Board meeting which was subsequently held as an informal meeting due to the Covid-19 pandemic. Following this meeting further work has been undertaken on the Plan to ensure that this now reflects the key areas of priority to aid the Covid-19 recovery.
- 2.7 An updated version of the 2020/21 LEP Annual Delivery Plan is attached at **Appendix 3** and Members of the LEP Board are asked to provide feedback on this and to delegate final approval of the content to the Chair of the LEP Board and the Managing Director. It should be noted that at this stage the document has not been subject to a design process and this will follow once the content has been finalised.
- 2.8 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 content of the 2020-21 Corporate Plan was endorsed by the Combined Authority at their meeting of 27 July and can be found [here](#).
- 2.9 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. A comprehensive suite of

performance indicators has been developed to measure the organisation's specific contribution towards achieving these four overarching corporate priorities. An assessment of progress against these indicators for the financial year to date has been undertaken and a summary of the results of this is provided in **Appendix 4** as part of the wider corporate performance snapshot.

- 2.10 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 have been achieved.

Corporate risk update

- 2.11 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.
- 2.12 A summary of the headline strategic risks is included at Appendix 4 to this report. This has been updated since the last reporting period to include updated strategic risks related to the ongoing COVID-19 pandemic. These strategic 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

- 2.13 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 specifically on LEP activities have yet been completed for 2020/21, with a proportion of audit resource this year being focussed on supporting the work on becoming a mayoral combined authority.

Overview and Scrutiny Committee

- 2.14 At its last meeting the Overview and Scrutiny Committee agreed a workplan for this year focussing primarily on the mayoral combined authority preparations. It also considered information on the response to COVID-19 including the work of the Economic Recovery Board and the impact of the pandemic on business.

3. Clean Growth Implications

- 3.1 None arising directly from this report.

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 note the corporate performance information provided.

9. Background Documents

- 9.1 None.

10. Appendices

Appendix 1 – 2019/20 revenue spend against budget

Appendix 2 – 2020/21 revenue budget monitoring

Appendix 3 – LEP Annual Delivery Plan

Appendix 4 – 2019/20 Corporate performance update