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

Date: 17 November 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.

Revenue Budgets 2020/21

- 2.2 A summary of the 2020/21 spend as at August 2020 compared to the approved revenue budget is attached at **Appendix 1**. A RAG rating has been included to identify budgets that need further review.
- 2.3 There are a number of emerging and continuing '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.
- 2.4 Work continues to develop a balanced budget position by the financial year end, taking into account the budget gap caused by Covid-19, which has only been met in part by additional government funding.

2020/21 LEP Annual Delivery Plan and Corporate Plan

- 2.5 The LEP Annual Delivery Plan, as approved at the September meeting of the LEP Board 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 LEP and the Combined Authority as a whole.

- 2.6 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 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 2** as part of the wider corporate performance snapshot.
- 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 have been achieved.

Business planning and budget 2021/22

- 2.8 Work has commenced on the development of budgets and business plans for the 2021/22 financial year. These will be set in the context of the wider financial pressures caused by the Covid-19 pandemic and the new funding framework and responsibilities that will be introduced through the Mayoral Combined Authority model.
- 2.9 The four overarching strategic priorities of boosting productivity, 21st Century transport, enabling inclusive growth and tackling the climate emergency will continue to form the basis of the 2021/2022 business plans, in addition to considering objectives which are centred around delivering value for money and improving efficiency.
- 2.10 It will however also be necessary to build some flexibility into business plans for 2021/22, in order to take account of issues arising from both the Covid-19 recovery and the formal exit from the European Union. These matters give rise to significant risk and uncertainty that need to be taken into account in the budget setting process. Additionally future funding remains uncertain, including continuation of some existing LEP funding streams and it is hoped that the one-year Comprehensive Spending Review on 25 November may bring some clarity.

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 2** to this report. This summary also includes the key strategic risks related to the ongoing Covid-19 pandemic. These strategic risks are supplemented by detailed operational risks which are being managed through the organisation'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 significant 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 considered the response to Covid-19 including the work of the Economic Recovery Board, as well as information on corporate performance. A number of working groups have also met to consider specific elements of the mayoral preparation workstreams, including the revised assurance framework, finances and organisational preparedness.

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

10.1 Appendix 1 - 2020/21 Revenue budget monitoring

10.2 Appendix 2 - 2019/20 Corporate performance update