

Report to: West Yorkshire Combined Authority

Date: 24 June 2021

Subject: **Initial Funding Priorities**

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Is this a key decision?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

1. Purpose of this report

- 1.1 To approve in principle funding to enable progress to be made in key priority areas, namely bus, culture, good work standard and skills.
- 1.2 To note this will be undertaken in line with the Combined Authority's Assurance Process.

2. Information

Background

- 2.1 The paper provided at item 17 of the Combined Authority agenda sets out the approach to the Single Investment Fund (SIF) and details the Investment Priorities contained within the West Yorkshire Investment Strategy (WYIS).
- 2.2 The SIF and WYIS enable the Combined Authority to prioritise investments in a way that will make a real difference to people and communities in West Yorkshire.
- 2.3 During the development of the WYIS, in the last financial year, the Combined Authority allocated gainshare funding, which has subsequently become part of the SIF, to the following programmes to support economic recovery:

- The extension of the existing [re]boot and Employment Hub programmes. £13.5m was allocated 27 November 2020.
- Local economic recovery plans. £5m was allocated 4 February 2021.
- The net zero carbon pipeline, entrepreneurship, and health innovation. £7m was allocated 9 March 2021.
- The use of future gainshare to support the delivery of the higher scenario of the Transforming Cities programme was agreed 27 July 2020.

2.4 In parallel to the development of the WYIS, areas that require immediate investment and action have been identified to support the Combined Authorities objectives, these are detailed below.

Immediate priorities and funding pressures

- 2.5 At the Combined Authority in March 2021 the Culture and Creative Industries Proposition linked to the Economic Recovery Plan was endorsed, aligned to the emerging West Yorkshire Cultural Framework. The proposition sets out the scale of the sector, the rich assets which the region is rightfully proud of and the funding required to support the sector to recover from the pandemic. The proposition was submitted to government following its endorsement by the Combined Authority, but no response has been received to date. Culture is also a high priority for the West Yorkshire Mayor who has pledged to Lead a Creative New Deal to ensure creative industries are central to the recovery strategy. This work links to the Investment Priorities within the WYIS namely, Culture and Creative Industries, Good Jobs and Resilient Businesses (including entrepreneurialism) and Creating Great Places and Accelerated Infrastructure.
- 2.6 To progress work to deliver this high priority for the Combined Authority and Mayor, indicative funding of up to £500k is requested to enable further scheme development to be undertaken.
- 2.7 The Bus Reform paper at item 16, sets out the process and potential resources requires to undertake an assessment relating to Bus Franchising. This work also relates to Investment Priority five within the WYIS – Future Transport. In order to enable swift delivery and create a team to develop the assessment and undertake the legal and commercial advice provisional funding of up to £1m is requested.
- 2.8 At the Combined Authority in March 2021 the Inclusive Growth Framework was endorsed and adopted as part of the Strategic Economic Framework. One of the ambitions within the framework is - Our Employers provide Good Work because they: value and benefit from diversity (at all levels); actively promote employee welfare; and invest in their workforce. This is also key in Investment Priority 1 of the WYIS - Good Jobs and Resilient Businesses (including entrepreneurialism). Given this and the West Yorkshire Mayor's focus on inclusion and supporting local businesses it is proposed that a West Yorkshire Good Work Standard is developed, building on the work already undertaken in Greater Manchester and Liverpool City Region.

- 2.9 It is expected that the implementation of the Good Work Standard will have ongoing resource commitments for the Combined Authority. A provisional allocation of £200k per year for 3 years is therefore requested to develop and launch this standard.
- 2.10 Further to this, there is also a lack of strategic funding available to adequately address a number of key priorities in the West Yorkshire economic recovery plan, particularly in relation to supporting skills development and the under and unemployed back to work. In addition, the Mayor has pledged to create 1000 well paid, skilled jobs for young people and to prioritise skills and jobs. It is imperative that people are not further disadvantaged due to the pandemic, particularly young people. This is included in the two of the Investment Priorities of the WYIS - Good Jobs and Resilient Businesses (including entrepreneurialism) and Skills and Training for People.
- 2.11 Provisional funding of up to £500k is therefore requested to develop programmes with the aim of supporting people aged 16-30 to enable them to improve their skills and to engage with high skilled well paid jobs in emerging sectors such as green and digital.
- 2.12 If the Combined Authority approves the recommended projects, officers will further develop the propositions, with more granular detail on the delivery model and costings, to allow the projects to be assessed in line with the Combined Authority's Assurance Process. This is with a view to delivery taking place as soon as is practically possible.

3. Clean Growth Implications

- 3.1 Clean growth is at the heart of the SIF and WYIS and tackling the climate emergency is a key investment priority. Decision making in respect of climate change is being strengthened through the development of a carbon impact assessment tool. This will strengthen how clean growth and climate change impacts are considered as part of all schemes that come through the Assurance Framework. All programmes will consider the clean growth implications as they are developed and taken through the Assurance Process.

4. Inclusive Growth Implications

- 4.1 Inclusive growth is core within the Investment Priorities of the West Yorkshire Investment Strategy to ensure everyone benefits from the investments made across the region. As such the schemes which are brought forward will be assessed to ensure they have considered the inclusive growth implications.

5. Equality and Diversity Implications

- 5.1 Reducing inequality is a cross cutting theme within the Investment Priorities of the WYIS to ensure that investments made across the region support equality and diversity. Equality Impact Assessments will be undertaken as part of scheme development to ensure that at schemes progress through Assurance Framework equality, diversity and inclusion is given due regard.

6. Financial Implications

- 6.1 Funding sought is intended, at this stage, to be drawn from the Single Investment Fund. This will be confirmed when the projects' full proposals come forward. In the worst-case scenario that this is not secured for any reason, other external funding will be sought or the projects would not progress.

7. Legal Implications

- 7.1 There are no direct legal implications contained within this report.

8. Staffing Implications

- 8.1 The additional funding would allow for increased capacity within the Combined Authority. The detail will be costed alongside setting out the delivery model as part of the project change request.

9. External Consultees

- 9.1 There are no direct external consultation implications contained within this report.

10. Recommendations

- 10.1 That the Combined Authority indicatively approves funding from the Single Investment Fund to enable progress to be made in key priority areas, with full approval to spend being granted once the project has progressed through the assurance process in line with the Combined Authority's Assurance Process. The indicative funding requested is:
- £500k to support scheme development relating to culture and creative industries.
 - £1m to provide initial resources required to undertake an assessment relating to Bus Franchising.
 - £600k over three years to develop, launch and embed a West Yorkshire Good Work Standard
 - £500k to support scheme development relating to employment and skills support for 16-30 year olds.
- 10.2 That the Combined Authority delegates to the Finance, Resources and Corporate Committee, the approval for programmes to pass through Decision Point 2, totalling no more than £2.6m of funding from the Single Investment Fund.

11. Background Documents

- 11.1 There are no background documents referenced in this report.

12. Appendices

None