

# **WEST YORKSHIRE INVESTMENT STRATEGY**

**RE-IMAGINING AND BUILDING RESILIENCE -  
INVESTING IN THE FUTURE OF WEST YORKSHIRE**

**1 April 2021 – 31 March 2024**

**DRAFT**

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# 1 Introduction

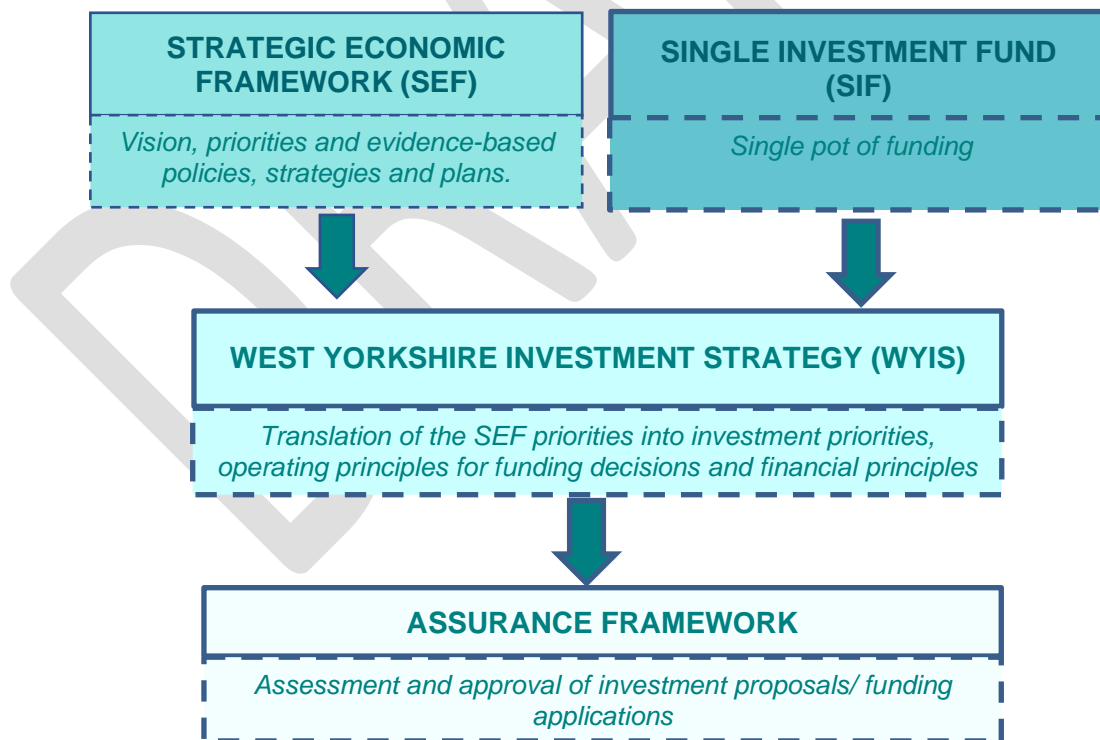
## 1.1 About the West Yorkshire Investment Strategy

This is the Investment Strategy for the West Yorkshire Combined Authority (Combined Authority). The West Yorkshire Investment Strategy (WYIS) sets out the arrangements by which the Combined Authority will direct and make decisions about funding contained within the Single Investment Fund over a defined investment period. It explains the Combined Authority’s key investment priorities and the criteria against which any schemes will be evaluated to ensure strategic fit. The priorities within the WYIS have been informed by the Strategic Economic Framework.

The WYIS also sets out the approach to delivery, identifying the role of the Combined Authority in maximising the benefits of future investment and how investment decisions are made through its, Government approved, Assurance Framework. A Financial Strategy is being finalised, which will set out how schemes will be funded, spending plans and financial rules.

The investment period for the current West Yorkshire Investment Strategy (WYIS) is April 2021 to March 2024.

The diagram below shows the high-level process, which is explained further in the sections of this document which follow.



## 1.2 Updating the West Yorkshire Investment Strategy

The Investment Strategy will be reviewed annually to take account of changing local and national circumstances, integrate new funding and investment opportunities and determine the best use of our resources to maximise potential.

### 1.3 Our place - West Yorkshire

The West Yorkshire Combined Authority was established in 2014 to bring together local councils and businesses to champion the region's interests nationally and internationally, securing investment from Government and other sources to drive the economy forward, by carrying out economic regeneration and development functions as well as acting as the local transport authority for West Yorkshire.

In March 2020, the West Yorkshire councils and the Combined Authority agreed a "minded to" devolution deal with Government. The deal detailed £1.8bn of Government investment (including £1.14bn over 30 years), to be subject to local influence and decision-making, enabling spend on local priorities, together with a range of new devolved functions.

The Combined Authority has now been established by Order as a Mayoral Combined Authority, and the first West Yorkshire Mayor, Tracy Brabin was elected in May 2021.

The work of the West Yorkshire Combined Authority covers the West Yorkshire authority areas of **Bradford, Calderdale, Kirklees, Leeds and Wakefield.**



West Yorkshire is key to re-balancing the national economy and enabling the North of England to 'level up' and contribute fully to, and benefit from, national economic growth. Located at the heart of the Northern Powerhouse, with an economy larger than that of several European countries, all our cities and towns have distinctive strengths built from their communities, heritage, character, industries and cultural assets. The unique mix of places, people and businesses within the region, are vital to our long-term success.

It should be noted that some of the programmes and schemes managed by the Combined Authority cover a broader geography than the West Yorkshire. Collaboration with wider partners continues to be important, however the main focus of this investment strategy is supporting outcomes and investment within West Yorkshire.

## 2 Strategic Economic Framework

The Strategic Economic Framework (SEF) sets out the vision for West Yorkshire to 2030:

*To be recognised globally as a place with a strong, successful economy where everyone can build great businesses, careers and lives supported by a superb environment and world-class infrastructure.*

The SEF also details how we will achieve this ambitious West Yorkshire vision, through our key priorities and range of policies and strategies. Demonstrating that we have a bold strategy for transformation across all facets of the economy, as we take on a greater role in the decisions that affect us. Following the election of the first West Yorkshire, the SEF is currently being reviewed to ensure that the Mayor's pledges are encompassed.

The SEF and our West Yorkshire Vision are based on a clear understanding of the key strengths and assets in the region, and a commitment to working in partnership to make full use of these assets, address long-term challenges, unlock opportunity and fulfil the region's exceptional potential.

The SEF will guide investment decisions. The investment priorities within this investment strategy are derived from the wider suite of documents within the SEF. It has been designed to be flexible and agile, able to contain a range of policies and be easy to amend and expand. It brings together existing and subsequent policies and strategies under a single banner, ensuring greater alignment between our strategies, priorities and vision for the region.

For full details of the policies, strategies and priorities within the SEF, please click [here](#).

In Summer 2021 the Combined Authority will publish the State of the Region 2021 – the first annual review of the performance of West Yorkshire against key socio-economic and environmental indicators.

The report is intended to provide a stock take of where West Yorkshire currently stands, using a basket of headline indicators developed as part of the Combined Authority's Strategic Economic Framework. It highlights areas of strength and positive trends in the local economy but also flags key issues and challenges that are priorities for future action.

The report aims to provide a balanced and objective view of economic performance in the region and gives some insight into the difference we are making through the combined action of all partners in West Yorkshire.

## 3 The Single Investment Fund (SIF)

The West Yorkshire Devolution Deal requires the Combined Authority to create a fully devolved funding programme covering all budgets for devolved functions.

The Single Investment Fund (SIF) has therefore been designed to ensure it supports delivery of the Combined Authority's strategic objectives and provides an opportunity to create a 'single pot' which brings together the Combined Authority's funding, including legacy and new funding streams secured as part of the devolution agreement. The aim is to give greater local freedom and flexibility over how to prioritise investments to fully realise the region's ambitions.

The 'Single Pot' approach to funding is a significant fiscal agreement in devolution deals which consolidates funding lines and reduces ring-fences. This pot will comprise a flexible, multi-year settlement providing the West Yorkshire Combined Authority with the freedom to deliver its growth priorities, including the ability to re-direct funding to reflect changing priorities, whilst upholding its statutory duties.

The SIF will consequently be the key funding tool for West Yorkshire. It will support the long-term delivery of the strategic priorities in the Strategic Economic Framework.

### 3.1 Resources of the SIF

The SIF brings together Combined Authority funding streams including legacy and new funding streams secured as part of the devolution agreement. It includes a flexible, multi-year settlement providing the Combined Authority with the freedom to deliver its priorities for transformational change, including the ability to re-direct funding to reflect changing priorities, whilst upholding its statutory duties.

The design of the SIF recognises the different levels of funding flexibility which will need to be taken into consideration in terms of their usage, for example some funding streams are ring-fenced for a set purpose but have flexibility in deployment. The funding included in the SIF is included in Appendix 1. Future external capital and revenue funding is expected to be added over time.

### 3.2 Funding Principles

Unless a strategic purpose or funder conditions over-ride, the funding within the SIF:

- shall not be fully committed in the early years and will be guided by the WYIS. However, consideration to medium term investment will be undertaken to manage inflationary impact.
- will provide development funding, subject to Combined Authority approval, for programme or project pipeline development to Decision Point 2 of the Assurance Framework.
- must be used for investment that provide benefits / outputs solely within the West Yorkshire boundary, unless other external / sub regional funding is received.
- where it generates a return on investment, all financial returns from the investment (eg loan capital, interest earned, other capital receipts, equity etc.) must be returned to the SIF for future investment. Though some of these returns may need to be ring-fenced for strategic purposes if defined as such in the original funder conditions.

- where possible, should be aligned or replaced by other funding streams to aggregate spending power and release money back into the SIF for further investment.
- shall generally be used where there are no other means of funding the identified priorities.

### **3.3 SIF limitations**

No funds designated through this Investment Strategy can be used to support the Combined Authority or local authorities' existing mandatory services.

In order to coordinate the extent to which possible SIF and non-SIF sources are used to maximise their beneficial impact in the region, the Investment Strategy shall also be relevant to funding sources that relate to but are not formally part of the SIF, for example European Structural and Investment Funds (ESIF) and its successor programmes, the UK Shared Prosperity Fund – which will have a separate investment strategy and approval process.

Funds received by the Combined Authority for onward investment into projects are rarely unrestricted. Each source carries its own requirements and restrictions, typically covering their availability, match funding and economic objectives. Furthermore, funding is usually split between “capital” and “revenue”, with a clear indication of their purpose. This will be carefully managed whilst taking a holistic view of the resources available to the area to help support its economic ambitions.

### **3.3 Securing additional resources**

The SIF only includes funds that are under the control of the Combined Authority. In addition, a wide range of public sector funding opportunities are and will be available over the investment period.

The scale of our ambition for growth and the challenges that need to be addressed in order to realise our vision will consequently require additional funding. Funding will, in some cases, have the potential to enable development works to progress and to provide a local contribution alongside national funding.

Our plan is to continue to work with Government over the coming years to identify shared priorities and interventions that can enhance the use of our local resources to achieve transformational change in West Yorkshire.

The Combined Authority will seek to influence the allocation of national funding and will submit proposals, where appropriate, to unlock further funds. Local partners will also be encouraged to ensure other available resources are maximised, used as leverage alongside the Combined Authority resources.

## 4 West Yorkshire Investment Strategy

The purpose of the West Yorkshire Investment Strategy (WYIS) is to direct investment and development activity in the short to medium term. The investment period is April 2021 to March 2024. It is designed to provide a sound basis for taking investment decisions and ensure that investments are most effectively targeted at interventions and opportunities that deliver the transformational change required and address the wider strategic aims of the Combined Authority. It is important to do so in a way that maximises value for money and provides different kinds of return to the SIF.

One of the Combined Authority's long-term objectives is to tackle market failures present in the local economy, and to do so in ways that drive inclusive growth, tackle the region's Climate Emergency and create greater opportunities for our communities and people. Intervention in these 'failures', to robustly understand the needs to communities and meet gaps in current provision, is predicated on the presence of a strategic plan to achieve market sustainability in an inclusive way and on the specific intervention's contribution to the WYIS investment priorities. Only those funding proposals which have robust evidence of need and address market failure will be supported.

### 4.1 Operating principles

Section 5 sets out the transformational investments that the Combined Authority will commit resources to, the process required to make those investment decisions over the investment period and the criteria that will be used to select and prioritise schemes. This section sets out the operating principals that underpin the priorities and direct the SIF funding.

It is not expected that an undue burden will be imposed on scheme applicants but that the process will provide a means to improve and provide robust decision-making based on a clear set of evidence-based investment priorities.

The Combined Authority will strive to be agile, creative and "mode agnostic", to fund the most effective delivery of our objectives without favoring any one type of intervention.

These principles are not based on the principal of an equal share across priorities or geographies. Places and priorities are expected to benefit in different ways and at different times over the investment period. Investments with the highest potential contribution to the Combined Authority's targeted objectives and outcomes will be supported.

In addition, selection of schemes will be driven by those which support inclusive growth, our climate emergency ambitions, drive social value, tackle market failure, maximise value for money and provide different kinds of return to the SIF.

The SIF funding is guided by the funder of last resort principle, therefore a clear strategic case for public investment must be demonstrated.

As identified above the SIF comprises funding from multiple sources. This section does not seek to describe each source in detail or the potential operating parameters of each funding stream, but rather to identify the principles which the Combined Authority will observe to guide the finances of the SIF and ensure that the financial model supports the delivery of the wider objectives of the strategy, independently of the funding source.



### 4.1.1 Risk and Portfolio Management

Risk will be managed in line with HM Treasury 'Orange Book' Guidance on the Principles and Concepts of Risk.

The Combined Authority recognises that effective risk management is an integral part of good corporate governance and as such should be a part of everyday management processes. The Combined Authority is committed to ensuring the robust management of risk, and as such a corporate risk management strategy is in place to set out a consistent approach to all risk management activities undertaken throughout the organisation. This includes the Combined Authority's risk appetite statement, which is based on risk category. The Risk Management Strategy can be found [here](#).

### 4.1.2 Funding products

In order to maximise the resources available to the Combined Authority and its partners, a range of funding products will be considered including, but not exclusively, grant funding, first loss instruments, guarantees, debt (whether senior, junior, corporate or other), quasi-equity, equity and other risk sharing instruments in any combination it considers optimal.

Where the Combined Authority provides non-repayable and sub-commercial funding it will be provided at the lowest level needed to catalyse a scheme. It shall provide commercially priced funds in an amount that reflects the availability of funding, risk and return objectives, and portfolio performance.

Commercial funding where provided will seek to maximise economic and social benefit for the region with any surplus reinvested for public good.

Funding will be used, where appropriate, by the Combined Authority to influence the scale of a scheme, timing and operation as required, seeking to optimise its outputs. It will seek to provide gap funding when deploying its funds on a principle of 'funder of last resort' and/ or where the gap funding may unlock schemes to the wider benefit of the region.

### 4.1.3 Ability to lever in additional funds

Given the range of investment priorities as described in the five investment priority areas in section 5, available funding could be spent many times over. The ability of partners to therefore submit funding proposals which can lever in additional funds or can be matched against other sources of funding will be prioritised.

### 4.1.4 Underwriting

Investment proposals will be appraised in line with the Assurance Framework, and the Government's Treasury Green Book and benefit cost analysis approach.

The Combined Authority shall adopt a risk-based approach in which it undertakes a comprehensive but proportionate appraisal of both the scheme and the financial request of the SIF, as described in the Assurance Framework. Any offer of underwriting will reflect the risk and return (always in compliance with State aid legislation), taking into account the Combined Authority's financial position and availability of resources, the

outputs available through the proposed scheme and the risks to their realisation, plus externalities.

Where appropriate, the Combined Authority shall structure its funding to allocate and mitigate risks to scheme sponsors, funders, users and stakeholders and shall use its own funding to accept a portion of these risks. In structuring its financial commitments, it will have regard to additionality, value for money, scale of impact, outputs and the financial sustainability of the resources.

#### **4.1.5 Borrowing**

The Combined Authority will use its funding, including prudential borrowing, where appropriate. Currently the Combined Authority has powers to borrow money for transport purposes and subject to an approval during 2021/22 it will also have powers to borrow money for non-transport functions.

All borrowing must be undertaken in line with legislative requirements including Local Government Act 2003, CIPFA Code of Practice and Prudential Code, MHCLG guidance and affordability.

The Combined Authority is required to set a treasury management strategy that sets out how the organisation's borrowing, investments and cash flows and its banking, and money market and capital market transactions are managed.

#### **4.1.6 Co-investment**

Co-investing may be considered by the Combined Authority where investable propositions will significantly contribute to the priorities of the region. In all circumstances the Combined Authority will adhere to its own underwriting and approval standards and protocols.

The Combined Authority may participate in financing opportunities led by related and third parties. Third parties may include private investors, enterprises and developers, and voluntary sector organisations.

#### **4.1.7 Generating a Financial Return**

As the SIF will be a key funding tool within West Yorkshire, supporting the delivery of the Combined Authority's strategic priorities, over time there will be an aim to generate a financial return. This is not expected to be on all schemes, only as appropriate and considered. The portion of non-recyclable funding will be driven down over time as SIF takes receipt of other funding.

#### **4.1.8 Over - programming**

Based on past experience, there is a likelihood that schemes slip in delivery. The Combined Authority will prudently over-programme its commitments by up to 10%, where appropriate, in order to maximise the use of funds and the outputs to be achieved.

## 4 Investment Priorities

The Combined Authority has identified transformational Investment Priorities which it will commit resources to, subject to the detailed consideration, appraisal and approval of business cases. The Investment Priorities will support the delivery of the West Yorkshire Mayor's pledges, tackle the challenges we face and drive growth in line with the vision outlined in the SEF.

Given the scale of economic challenge as a result of COVID-19 an element of sequencing and prioritisation has been undertaken to ensure that our investment priorities support projects and/or programmes which will unlock transformational change, specifically schemes that will have a significant impact on growing the West Yorkshire economy as a result of the global pandemic. It is imperative that resources are consequently targeted and invested in actions prioritised within the [Economic and Transport Recovery Plans](#) as a starting point.

The Investment Priorities are not intended to be an exhaustive list of activity, as new opportunities will arise over the investment period of the strategy. It does, however, identify the key activity which is needed to drive economic recovery across West Yorkshire and is therefore deserving of investment.

### 4.1 Introduction to the Investment Priorities

The core objective is to invest in schemes with the highest potential contribution to the Combined Authority's objectives, the West Yorkshire Mayor's pledges and to maximise the overall delivery in West Yorkshire for many years to come.

The range of socio-economic challenges facing West Yorkshire mean that a comprehensive set of investment priorities is required. This is reflected in the scope of the objectives outlined for the region. The SIF provides the opportunity to bring many of these priorities together to ensure a joined-up action is delivered.

The investment priorities are framed across six investment areas and in each a number of priority project /programme areas are identified that are the focus for intervention over the next three years. The priorities are multi-dimensional and may be applied in combination. Investments will be used to develop a cohesive, vibrant and successful region that works for residents, businesses and visitors alike. Further details are provided at 5.3 below.

- Investment Priority 1:** Good Jobs and Resilient Businesses (including entrepreneurialism)
- Investment Priority 2:** Skills and training for people
- Investment Priority 3:** Creating Great Places and Accelerated Infrastructure
- Investment Priority 4:** Tackling the Climate Emergency and Environmental Sustainability
- Investment Priority 5:** Future Transport
- Investment Priority 6:** Culture and Creative Industries

## 4.2 Cross Cutting Themes

The investment priorities are underpinned by our ambitions to reduce inequalities and promote inclusion, and to tackle the Climate Emergency and be net-zero carbon by 2038. These are cross cutting principals, which are embedded in the detail of the priorities provided below. Schemes are expected to take these into account as they form part of the assessments criteria and are included in relevant paperwork.

### 5.2.1 Tackling the Climate Emergency

The West Yorkshire Combined Authority is working towards the challenging ambition of being a net zero carbon economy by 2038, and to have made significant progress by 2030. Net zero carbon means emissions produced, and emissions removed from the atmosphere are balanced.

Achieving emission reductions of up to 14.5% per annum to meet our target by 2038, will require urgent and collaborative action across all sectors of our regional economy in partnership with businesses, communities and Government and significant investment now and in future years.

### 5.2.2 Inclusive Growth

All our investments need to respond to and benefit the people of West Yorkshire and have the impacts on people and communities, at their heart. Consequently, Inclusive Growth is at the heart of the investment strategy given its importance to the economy.

Our proposed measures of success will be critical in demonstrating what impact our investments have had. And the fulfilment of these goals is central to the achievement of our related Inclusive Growth ambitions, such that;

- All individuals and communities in West Yorkshire are enabled to contribute to - and benefit from - our economic prosperity because: they are inspired, confident and engaged;
- All West Yorkshire employers provide good work because: they value diversity (at all levels), promote employee wellbeing, and invest in their workforce; and
- West Yorkshire is a region which delivers an inclusive economic recovery because: every person - and every community - matters equally, economic and social disparities are not just reduced but eliminated, and diversity - including of our people and communities - is a key strength of the region.

### 5.2.3 Tackling Inequalities

The West Yorkshire Combined Authority has an ambition to be an organisation everyone recognises as having an exemplary approach to equality, diversity and inclusion.

As such it is expected that schemes will demonstrate that the impact of any proposal has been considered, in relation to groups of people with the following Protected Characteristics as defined in the Equality Act 2010: age, gender, race, gender reassignment, disability, marriage and civil partnership, pregnancy and maternity, religion or belief and sexual orientation.



### 5.3 Investment Priorities

Investment Priority 1 - Good jobs and resilient businesses					
KEY DRIVERS – ADDRESSING INEQUALITIES AND CONTRIBUTING TO A ZERO CARBON ENVIRONMENT.					
On 11th August 2020 it was confirmed that the UK economy had entered an official recession for the first time in 11 years, suffering its biggest slump on record between April and June 2020, with GDP shrinking 19.8% compared with the first three months of the year. Forecasts predict it may take between 2021 and 2024 to return to pre-crisis levels. Although there are some potential green shoots, the Bank of England's Chief Economist estimates the UK has already recovered "perhaps half of its losses", going on to state that the recovery in jobs will take longer but the risks to jobs have receded as spending and business confidence has picked up. Some sectors have been hit harder than others - retail sector furloughed the highest number of people, totalling over 1.9 million; 77% of those working in the hospitality sector have been furloughed; and nearly half a million people working in the cultural sectors have also been furloughed throughout the pandemic. There has also been a disproportionate impact on freelancers, home-based businesses, businesses with a dependency on face-to-face contact and the self-employed who were ineligible for Government support. Locally although the majority of businesses say they are now open as normal, almost a quarter (24%) continue to report significantly reduced operations.					
ALIGNMENT WITH SEF	HEADLINE CHALLENGES	OUTCOMES TO BE ACHIEVED	WYIS - PRIORITY AREAS FOR INVESTMENT	HOW WE WILL MEASURE SUCCESS	
				Outputs	Results
<ul style="list-style-type: none"> <li>▪ <b>Business Productivity &amp; Resilience</b></li> <li>▪ <b>Enabling Inclusive Growth</b></li> <li>▪ <b>Tackling the Climate Emergency</b></li> <li>▪ <b>Employment and Skills</b></li> <li>▪ <b>Digital</b></li> <li>▪ <b>Economic Recovery</b></li> <li>▪ <b>Innovation</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Rescuing and building resilience across strategic regional sectors</b> - hard hit by COVID-19 - existing jobs will not be safeguarded or and new good job opportunities will be created which are needed as part of the rescue or re-imagining of the West Yorkshire economy.</li> <li>• <b>Support the under and unemployed back to work</b> - April and May 2020 saw an unprecedented increase in jobless claimants in West Yorkshire and the number of claimants has remained fairly steady since then. The current West Yorkshire claimant count for May 2021 of 108,815 is <b>93% higher (+53,420) than its pre-crisis level</b> (in February 2020). Young people (18-24) have been worst affected.</li> <li>• <b>Deliver levelling up through increased productivity in good work</b> - prior to the pandemic the region had the fastest growing digital sector in the country (employment growth of 48% between 2015 and 2018), and previously identified strengths in health tech and food production which are now at the forefront of the recovery. Yet output per hour worked is largely unchanged since 2010 in West Yorkshire, once the impact of inflation is removed, and remains about 14% lower than UK levels. Productivity remains the key long-term route to improved living standards but must be done in a way that unlocks good work - 271,000 WY employees (29% of the total) were not in good quality work (ONS definition based on Taylor Review) before COVID-19 and response has shown just how important relationships between employers and employees can be.</li> <li>• <b>Making supply chains more resilient</b> - a third of businesses say disruption to their supplier base poses a risk to their business operating successfully as lockdown eases</li> <li>▪ <b>Increasing digital &amp; innovation driven entrepreneurialism</b> - entrepreneurialism has been a critical driver of economic growth out of difficult times, and West Yorkshire has the ingredients. Annually the region generates more than 10,000 start-ups. Many of these businesses are already innovating in response to COVID-19, in sectors identified as local strengths pre-COVID, including food &amp; drink, health tech, creative &amp; digital and professional services. In a scenario where there may be higher levels of unemployment and fewer job opportunities initially, digital skills, mission led innovation and a renewed focus on pre-start and start-ups will be critical to the region new opportunities as they arise and attracting talent into the region from elsewhere.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Safeguard jobs and create new job opportunities.</li> <li>▪ As we move into re-imagining our economy, the focus should increasingly look to moving people into longer-term career progression pathways, offering support to access growing employment opportunities in digital and clean growth roles.</li> <li>▪ Good Work through more inclusive employment environments and interventions, recognising the role played by Trade Unions and other employee bodies.</li> <li>▪ Coupled with recovery from COVID-19, the UK's transition to a post-Brexit independent trading status makes it more important than ever that the region has the resilient supply chains needed both for businesses and consumers to thrive.</li> <li>▪ Innovation as a key route through recovery – adaption, diversification and innovation for survival and future growth and make WY the best place in the UK for businesses to innovate and export.</li> <li>▪ Increase the size of the WY business base relative to population - supporting survival beyond the first year will be a key success measure.</li> <li>▪ Improve skills and boost employment and productivity in growth sectors.</li> <li>▪ Increase employer and individual investment in skills.</li> <li>▪ Enable those out of work to compete in the labour market by ensuring that they have the necessary skills.</li> <li>▪ Create an aspirational, innovative enterprise and inclusive culture to reduce levels of deprivation.</li> <li>▪ To connect vulnerable groups and residents living in deprived communities to economic opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support the creation of good quality jobs in sectors with growth and higher productivity potential (in line with the Business Productivity and Resilience Plan) including through inward investment. Promote good work through the development of a good work standard, Focus on those jobs which offer social mobility, sectors/businesses with decarbonisation plans and growth in high skills roles and 'green' businesses.</li> <li>▪ Support entrepreneurs by providing appropriate support to help people to create and grow businesses – including promoting and facilitating Social Enterprise / 'quality' self-employment as an option for disadvantaged groups and individuals in our most deprived communities, providing appropriate support mechanisms to do this.</li> <li>▪ In line with the Innovation Framework, provide support for businesses seeking investment to innovate, explore new market opportunities or adopt new technology, particularly to grow jobs in areas of regional strength or tackle societal challenges, prioritising health innovation and clean growth tech particularly to close health and wellbeing inequalities.</li> <li>▪ Support for project development costs as required to progress the Investment Priorities proposed above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number of businesses receiving support.</li> <li>▪ Number of start-ups/scale ups.</li> <li>▪ Employment increase in supported enterprises</li> <li>▪ Number of unemployed (including long-term unemployed) participants supported;</li> <li>▪ Number of inactive participants supported;</li> <li>▪ Number of employed (including self-employed) participants; and</li> <li>▪ Estimated GHG reduction.</li> <li>▪ Number gaining a qualification.</li> <li>▪ Number gaining employment, engaging in positive activities that address barriers to work or widen participation in training.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase in productivity.</li> <li>▪ Increase in jobs created paying at Living Wage.</li> <li>▪ Increase in business start-ups.</li> <li>▪ Supporting the move to a low carbon economy.</li> <li>▪ Improved income levels and poverty reduction.</li> <li>▪ Increase output per hour worked (productivity)</li> <li>▪ Technology adoption</li> <li>▪ Total employment /share of employment in relevant sectors eg. low carbon</li> <li>▪ Share of employment in disadvantaged groups.</li> <li>▪ Diversity in strategic sectors</li> <li>▪ Overall unemployment rate</li> <li>▪ % of people long term unemployed in to work</li> <li>▪ % into good quality work</li> <li>▪ % attending green skills training sessions</li> <li>▪ % of Health tech start ups</li> <li>▪ 1-year survival rate &amp; confidence</li> <li>▪ Number of innovations for social good, especially health innovation</li> <li>▪ Start-ups tackling environmental challenges / innovation</li> </ul>

Investment Priority 2 – Employment and Skills					
KEY DRIVERS – ADDRESSING INEQUALITIES AND CONTRIBUTING TO A ZERO CARBON ENVIRONMENT					
The Combined Authority is committed to action on the long-standing challenges that West Yorkshire faces in terms of social exclusion inactivity, inequality and ill health. This Investment Strategy, in line with the Employment and Skills Framework and AEB Strategy therefore supports skills projects which drive inclusive growth and social value and aim to ensure that communities and residents benefit from growth and have the opportunities they need to succeed and contribute on a more equal and fairer basis.					
ALIGNMENT WITH SEF	HEADLINE CHALLENGES	OUTCOMES TO BE ACHIEVED	WYIS - PRIORITY AREAS FOR INVESTMENT	HOW WE WILL MEASURE SUCCESS	
				Outputs	Results
<ul style="list-style-type: none"> <li>▪ <b>Business Productivity, &amp; Resilience</b></li> <li>▪ <b>Enabling Inclusive Growth</b></li> <li>▪ <b>Tackling the Climate Emergency</b></li> <li>▪ <b>Employment and Skills</b></li> <li>▪ <b>Digital</b></li> <li>▪ <b>Economic Recovery</b></li> <li>▪ <b>Innovation</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Prevention of NEETs and youth unemployment</b> - Youth unemployment has increased significantly recently. Historically, unemployment has a greater negative impact for young people economically and on their wellbeing, particularly BAME communities. Urgent action is required to prevent young people disengaging from employment, education and training ('NEET levels'), which had fallen significantly over the past few years. Collaboration across West Yorkshire on this agenda is important to ensure that early preventative work is undertaken to minimise the risk of becoming NEET. There is an immediate need to protect apprenticeships as a route to employment for young people. Apprenticeship starts amongst young people have already seen a decline since the introduction of the levy.</li> <li>● <b>Address inequality of access to learning</b> - disadvantaged / pupil premium learners in schools trail their peers by 18.1 months in attainment. Twice as many people in professional occupations undertake training as in manual occupations. Nearly a quarter of people in Yorkshire and Humber lack essential digital skills for life, with the elderly, low-skilled and those on low income highly represented in that group. The shift to online and small group learning has further highlighted the inequality of access as an issue that will worsen the divide.</li> <li>● <b>Building a strong skills offer for the West Yorkshire labour market</b> - the lockdown led to a collapse in participation in traditional classroom based skills programmes, and a shift towards on-line, blended learning and modular learning. To plan, adapt and provide for this changing market we need to ensure that skills and training providers are able to respond to local demand for provision supports the devolved adult skills funding priorities for the region.</li> <li>● <b>Delivering relevant and transferable skills</b> - ensuring all residents and communities have the skills required to be able to take up high quality employment - or start in enterprise - is central to an inclusive economic recovery. Communities, and the third sector, have been at the heart of the response, coming together in positive ways to support, encourage and sustain, particularly the most vulnerable.</li> <li>● <b>Improved skills utilisation in the workplace</b> - around 9% of employers demonstrate high performing workplace practices nationally, a range of practices that lead to more productive workplaces. Employers will need support to identify opportunities to increase the skills of their existing workforce to drive innovation and productivity, including diverse leadership and management so that they survive.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Safeguard jobs and create new job opportunities.</li> <li>▪ Preventative and targeted support available for those at risk of becoming NEET as they leave the education system.</li> <li>▪ Support individuals to access learning through different formats and settings. This includes places of learning such as community settings, as well as investment in the IT equipment, infrastructure and digital skills that allows equal access to blended learning.</li> <li>▪ Support new ways of curriculum delivery, delivering a fast response to the sharply rising demand for online and flexible learning – and to reverse the sharp decline of adult participation in learning as well as respond to employer training needs.</li> <li>▪ Enable communities - and the third sector itself - to become more resilient and sustainable.</li> <li>▪ Employers need to proactively manage job design and skills so that organisations can respond effectively to continuing challenges like automation to come out of the crisis stronger, more resilient.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Education/careers and employment support in line with the E&amp;S Framework, with a focus on prevention of youth unemployment and NEETs and supporting the skills needs of our most vulnerable communities.</li> <li>▪ Supporting older workers (over 50) back to work and to stay in work longer where recently made unemployed – targeting the 10,000 people aged 50-64 who are unemployed, and those who are at risk of redundancy.</li> <li>▪ Provision of digital skills to support growth in SMEs, voluntary sector, educators and learners with digital skills – addressing digital exclusion and ensuring open access for all to avoid further disadvantage and an increase of the digital divide.</li> <li>▪ West Yorkshire Green Skills Partnership to bring together partners to support the development of future skills and jobs needed for a net zero carbon economy and ensure a just transition for jobs at risk from decarbonisation – focus on job creation in a growth sector and connecting those facing labour market disadvantage to the new employment opportunities.</li> <li>▪ Address the low take up of STEM subjects – improving skills levels amongst key groups who do not traditionally take up STEM.</li> <li>▪ Skills support for employers to encourage high performing workplace practices that make best use of skills within the workforce, address skills shortages, and support recruitment practice with a focus support progression into work for young people and graduates who have the fastest growth in claimant numbers.</li> <li>▪ Improve access to all age careers information that is rooted in local labour market information for all ages.</li> <li>▪ Support for project development costs as required to progress the Investment Priorities proposed above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number of unemployed (including long-term unemployed) participants supported.</li> <li>▪ Number of inactive participants supported.</li> <li>▪ Number gaining a qualification.</li> <li>▪ Number gaining employment, engaging in positive activities that address barriers to work or widen participation in training.</li> <li>▪ Number of Employers engaging with schools.</li> <li>▪ Number of NEETs / post-education destinations.</li> <li>▪ Number of NEETs in disadvantaged groups supported.</li> <li>▪ Number of 16-24 / 50+ unemployed in disadvantaged groups supported.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase % of 16-64 resident population in employment.</li> <li>▪ Increase output per hour worked (productivity).</li> <li>▪ Decrease % of population aged 16-64 with highest qualification below level 2 or no formal qualification.</li> <li>▪ Access to skills development for disadvantaged groups.</li> <li>▪ Social mobility (attainment at KS4 by FSM eligibility and access to HE by social status).</li> <li>▪ Employers engaging with schools.</li> <li>▪ Levels of digital exclusion.</li> <li>▪ Access to net zero skills development for disadvantaged groups: apprenticeships, HE.</li> <li>▪ Jobs in the clean growth sector.</li> <li>▪ Attendance at green skills training.</li> <li>▪ Prevalence of "flexible" employment modes.</li> <li>▪ % qualified at L4+ or degree level employed in non-graduate roles.</li> <li>▪ Participation in employment and skills programmes and across disadvantaged groups.</li> </ul>



## Investment Priority 3 – Creating Great Places and Accelerated Infrastructure

### KEY DRIVERS – ADDRESSING INEQUALITIES AND CONTRIBUTING TO A ZERO CARBON ENVIRONMENT

Despite a thriving economy, not all parts of the community in West Yorkshire are feeling the benefits of growth, with increasing polarisation between places. Investment is needed in places in a coordinated way, to maximise the benefit of the investments and ensure that the benefits of economic growth are felt by all. For example, the West Yorkshire economy is growing, creating opportunities for good quality high skilled jobs, however for local residents to take advantage of these, places need to be connected with excellent quality transport and digital infrastructure. The success of our places is also dependent on infrastructure which enables our communities to be resilient to future change, socially, technologically as well as economically, making them good places to live and work. Although individual programmes of investment by infrastructure type, are prioritised, programmes are linked wherever possible to ensure that a place-based approach is being taken to investment and maximising the return on that investment. Infrastructure has a critical role to play in recovery, both in unlocking economic opportunities with good jobs and skills, and in delivering longer term resilience for West Yorkshire, both for the communities of West Yorkshire and for its environment. It will be important to ensure infrastructure delivers for the people of our communities, and that the social and cultural infrastructure is built and retained that makes the distinct places of West Yorkshire towns and City environments where people want to live, work and visit.

ALIGNMENT WITH SEF	HEADLINE CHALLENGES	OUTCOMES TO BE ACHIEVED	WYIS - PRIORITY AREAS FOR INVESTMENT	HOW WE WILL MEASURE SUCCESS	
				Outputs	Results
<ul style="list-style-type: none"> <li>▪ <b>Green and Blue Infrastructure</b></li> <li>▪ <b>Housing, Heritage and Regeneration</b></li> <li>▪ <b>Spatial Planning</b></li> <li>▪ <b>Culture</b></li> <li>▪ <b>Flood Risk Management</b></li> <li>▪ <b>Connectivity</b></li> <li>▪ <b>Enabling Inclusive Growth</b></li> <li>▪ <b>Tackling the Climate Emergency</b></li> <li>▪ <b>Digital</b></li> <li>▪ <b>Economic Recovery</b></li> <li>▪ <b>Innovation</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Levelling up West Yorkshire</b> - COVID-19 has diverted attention from the levelling up agenda for the north but has now become even more acute in terms of deprived communities that already needed targeted investment to deliver resilience for the future. Public spending per head on economic affairs in Yorkshire was around 70% of UK levels in 2017/18. Meanwhile Gross Disposable Household Income is 81% of UK levels in West Yorkshire.</li> <li>▪ <b>Post COVID Ready Places</b> - The challenges will be different for our major urban city centres Leeds, Bradford, Wakefield, compared to smaller town and rural conurbations. As the economy opens up there will be a need to regain confidence in these centres as they are rebuilt as safe public places. Research also suggests that whilst remote working and lower density office space will remain desirable, companies and workers will still demand spaces that promote collaboration, interaction and wellbeing. This will require flexibility to respond to a potential further rapid contraction of retail and commercial use in towns and cities using transitional uses to try and test what works best for different places, including how culture can be play a central role in making cities, towns and high streets places people want to be. Some places will need large scale interventions to create future markets, with brownfield sites (largely within urban cores) brought forward to provide a good quality affordable housing offer, alongside the social infrastructure to make good places to live.</li> <li>▪ <b>Resilient Communities</b> - COVID-19 has reinforced powerfully the need for holistic approaches to developing resilient, healthy, safe communities with local green space for all communities to use. 64% of people expect to work from home more in the future than prior to lockdown according to our transport survey, whilst more than a fifth (22%) of businesses expect the move to home working to be in place permanently.</li> <li>▪ <b>Cultural and creative sectors</b> - important in their own right in terms of their economic footprint and employment, spurring innovation as well as contributing to numerous other channels for positive social impact (well-being and health, education, inclusion, town regeneration etc). They have also been among the hardest worst hit by the pandemic with large cities often containing the greatest share of jobs at risk devastated by the pandemic.</li> <li>▪ <b>Accessibility and Connectivity to Communities</b> - COVID-19 has demonstrated what a radical shift in work, transport and community activity means for our current infrastructure. Many are now using bus and trains less, and many will walk more. If positive behaviours for our environment of reduced car usage, more active travel, greater home working and more local spending are to be retained in a sustainable way, then the regions connectivity infrastructure needs to support that.</li> <li>• <b>Addressing New Challenges</b> - Recovery offers a specific opportunity to both support the transition and meet our net zero carbon target and to stimulate jobs and skills opportunities, through addressing existing issues in the regions housing stock through public investment. Producing high performing energy efficient homes is an opportunity to build on the existing strengths of the region in Modern Methods of Construction, stimulating MMC home building programmes linked to training and investment in new technology. Alongside this, retrofit energy efficiency programmes are needed for existing buildings, offering a long-term solution to tackling fuel poverty in the region (fuel poverty affects more than 20% of households in 100 of our communities) and an opportunity to create high numbers of skilled, good jobs.</li> </ul>	<ul style="list-style-type: none"> <li>• Capital investment (including on transport) undertaken with existing communities, addressing the needs of people including a role in the development (through design, jobs &amp; training) and to genuinely benefit from its results (through healthier, positive and greener places).</li> <li>• To accelerate the transformation of our towns and cities into successful, sustainable places.</li> <li>• To strengthen existing places and build on learning from district Streets for People pilots, and the opportunity to increase flood resilience for the communities that have faced devastating impacts in the events of 2015 and 2019.</li> <li>• Create new developments, giving priority to the design of future-proofed homes, including space for working/study.</li> <li>• To keep communities connected, particularly to work and training opportunities, connect communities digitally, socially and through sustainable modes of transport.</li> <li>• Support a thriving cultural, arts and sporting sector vital for the West Yorkshire economy - shaping place identity and profile, and attracting and retaining talent and investment, driving inclusive growth, regenerating places and engaging people to develop skills.</li> <li>• To reduce inequalities by tackling the number of properties especially in the 20% most deprived areas who have no or little access to Superfast Broadband and only 3% to Full Fibre.</li> <li>• Reduction in fuel poverty.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop a long-term future proofed housing and employment pipeline, supporting site remediation and development within Spatial Priority Areas – improving connectivity to jobs and providing different types of affordable housing and tenure for our residents.</li> <li>▪ Accelerate Flood Risk Management schemes as part of a wider approach to climate change mitigation, resilience and carbon sequestration. Providing enhanced flood protection to business areas and/or deliver Natural Flood Management – targeting areas impacted by flooding or at greatest risk to build resilience and growth in communities.</li> <li>▪ Improve access to gigabit capable broadband and Internet of Things (IoT) for businesses and residents in hard to reach and/or rural areas. Ensuring those that are able to work from home to do so reducing the need to travel for work purposes - addressing digital exclusion improving access to digital facilities and online services to support those most deprived residents and businesses. Supporting delivery of environmental monitoring and management using IoT</li> <li>▪ Enhance the sustainable vitality of cities and towns, delivering new housing and employment opportunities accessible to local residents - including investment in green infrastructure, energy efficiency, low carbon heating and power measures and culture – developments to include better urban design (excessive traffic, noise and air pollution, poor road safety, low levels of active travel) to make streets in our most disadvantaged areas and amongst particular groups to become more 'people friendly'.</li> <li>▪ Protect businesses, the environment and improve air quality by ensuring local, competitive and resilient clean energy supplies that allow the region to be more self-sufficient in meeting energy needs – incl. investment in green and flexible local energy systems and integrated into new developments and transport infrastructure – improving health outcomes for all and narrowing health inequalities.</li> <li>▪ Support for project development costs as required to progress the Investment Priorities proposed above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ New homes enabled and completed within SPA's</li> <li>▪ Hectares of land remediated and prepared for development.</li> <li>▪ Number of premises with enhanced flood protection</li> <li>▪ Number of premises connected to gigabit capable broadband.</li> <li>▪ Commercial property occupancy,</li> <li>▪ Number / share of green jobs.</li> <li>▪ Jobs accessible by public transport from deprived communities.</li> <li>▪ Space created for cultural and arts activity within SPAs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased government investment.</li> <li>▪ Increased investment in R&amp;D.</li> <li>▪ Decrease in households in transport poverty.</li> <li>▪ Access to gigabit capable broadband in deprived areas.</li> <li>▪ % without basic digital skills.</li> <li>▪ Reduction in CO2 and NOx (other air quality where relevant).</li> <li>▪ Increased mode share for active / sustainable modes.</li> <li>▪ Reduction in fuel poverty.</li> </ul>

## Investment Priority 4 – Tackling the Climate Emergency and Environmental Sustainability

### KEY DRIVERS – ADDRESSING INEQUALITIES AND CONTRIBUTING TO A NET ZERO CARBON ECONOMY.

The Combined Authority has declared a climate emergency and has set an ambitious target for the region to be net-zero carbon by 2038, with significant progress by 2030. There is recognition that achieving the target will unlock significant economic benefits such as good, green jobs; training and upskilling opportunities; increasing the size of the low carbon and environmental goods and services sector, whilst reducing harmful emissions, delivering nature recovery, and improving long-term climate resilience. Achieving the target will require annual emission reductions of up to 14.5 percent and significant action across all parts of the economy. Progress to deliver against the target at the pace and scale necessary has been hampered by a lack of investment and funding ready net-zero carbon and environmental projects and the resources to undertake programme and project development activities, obstacles that will need to be overcome if the ambition is to be met.

COVID-19, particularly during lockdown, has seen some pro-environmental behaviours, however as we emerge from the pandemic we need to ensure that the recovery is a green one. Embracing a green recovery will ensure the region can take advantage of the opportunities that a transition to a net-zero carbon economy will bring, including over 71,000 potential jobs in West Yorkshire alone by 2050 in the low carbon and renewable energy economy (LGA, 2020).

ALIGNMENT WITH SEF	HEADLINE CHALLENGES	OUTCOMES TO BE ACHIEVED	WYIS - PRIORITY AREAS FOR INVESTMENT	HOW WE WILL MEASURE SUCCESS?	
				Outputs	Results
<ul style="list-style-type: none"> <li>Enabling Inclusive Growth</li> <li>Tackling the Climate Emergency</li> <li>Economic and Transport Recovery</li> <li>Innovation</li> <li>Connectivity Infrastructure Plan</li> <li>Green and Blue Infrastructure</li> <li>Digital</li> </ul>	<ul style="list-style-type: none"> <li><b>Achieving net-zero carbon by 2038:</b> The scale of the challenge to meet net-zero carbon should not be underestimated, with a up to 14.5% reduction in emissions required year on year. This will require a significant upscaling of activity across all sectors of the economy.</li> <li><b>Addressing stubborn emissions in the transport and building sectors:</b> Over two thirds of emissions in the region are from these two sectors with progress to decarbonise being slow. To meet the regional target in the transport sector we will need to see over 20% reduction in private car use with significant increases in active travel (walking and cycling) and public transport, and a rapid transition to zero-emission vehicles. From a building perspective, we will need to see energy efficiency and low carbon heating and power technologies deployed at pace and scale, along with the infrastructure that facilitates the transition.</li> <li><b>Delivery at pace and scale:</b> The scale of the challenge is significant and will require a rapid upscaling of activity, resources and funding. For example, to meet the net-zero carbon target nearly 700,000 of the region's homes (out of a housing stock of just over 1 million) will need some form of energy efficiency retrofit and low carbon heating technology.</li> <li><b>Project development funding and pipeline:</b> The ability to generate investment and funding ready low carbon and environmental projects has been hampered by the lack of funding to take projects from the point of concept to the point of investment and implementation. As a result, the region is currently lacking a pipeline of investable projects that can contribute to achieving the regional target. Having this pipeline, and for it to be developed sufficiently to be attractive to investors and funders, will be crucial if the region is to make inroads into achieving its net-zero carbon ambition.</li> <li><b>Capitalising on employment opportunities from the transition to net-zero:</b> The LGA have estimated that meeting the UKs net-zero target by 2050 could result in over 71,000 jobs in the low carbon and renewable energy economy in West Yorkshire by 2050. We need to capitalise on this opportunity by creating the conditions in which these employment opportunities can be realised.</li> <li><b>Ensuring a 'Just' Transition:</b> We need to ensure that no one is disadvantaged as a result of the transition to net zero carbon, particularly those most vulnerable in society, and appropriate support is provided to enable everyone to participate in a fair, equal and inclusive net-zero carbon economy.</li> <li><b>Climate resilience:</b> A certain degree of warming is already locked in, regardless of the action we take in achieving net-zero carbon. As a result we need to ensure our homes, businesses and developments are protected and resilient to the effects of a changing climate e.g. increased flooding, heatwaves.</li> <li><b>Achieving a green recovery:</b> COVID-19 has, and is having, a significant impact on the economy, businesses and residents in the region. As we emerge from the pandemic we need to ensure that the recovery is a green one and does not result in environmentally damaging behaviours and investments.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in regional emissions across all sectors of the economy in line with ambition to be net-zero carbon by 2038.</li> <li>Recovery and enhancement of nature and increases in biodiversity, green spaces and trees, and natural environments.</li> <li>Increase in the number of zero carbon and environmental projects being developed and implemented in the region.</li> <li>Alignment with complementary jobs and skills programmes to support the development of local supply chains that underpin delivery action whilst supporting the economy and communities to recover after COVID-19.</li> <li>Increase in the amount of funding and resources flowing into and being generated in the region as part of the net-zero carbon economy.</li> <li>Warm, healthy, affordable and low carbon homes, energy efficient workplaces.</li> <li>Reduction in the proportion of households in fuel poverty, improving the living standards of residents.</li> <li>More local, clean, and flexible energy</li> <li>Reduction in energy and fuel costs for residents and businesses within the region.</li> <li>Ensuring the region is adapted and resilient to the worst impacts of a changing climate.</li> <li>Improved productivity (output per hour worked).</li> <li>Healthier and productive people</li> </ul>	<ul style="list-style-type: none"> <li>Development of a zero-carbon and environment pipeline including projects on energy efficiency, low carbon heat, electricity generation, flexibility and storage, transport and industrial decarbonisation, natural flood management and nature recovery as well as a new net zero skills programme (<i>see also section above on skills</i>), support for businesses to help decarbonise and become more resource efficient and circular, and provision of bespoke support for industry (<i>see also section above on Good jobs and businesses</i>) - focus on job creation in a growth sector, connecting those facing labour market disadvantage to the new employment opportunities, support a just transition : retraining, reskilling in new technologies etc.</li> <li>Build capacity and capability to scale up 'whole-house' neighbourhood scale domestic energy retrofits. Indicative actions will support the customer journey, embedding quality and 'real-life' performance, demonstrators, and unlocking 'green finance' – target poor quality housing in deprived neighborhoods, decreasing households in fuel and income poverty, and improving health outcomes.</li> <li>Support the deployment of infrastructure that facilitates the transition to net-zero e.g. clean and flexible electricity generation and energy storage, hydrogen, digital, electric vehicle charging, walking and cycling, green infrastructure, natural capital and local food growing - focus on job creation in a growth sector, connecting those facing labour market disadvantage to the new employment opportunities.</li> <li>Support for project development costs as required to progress the Investment Priorities proposed above.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in proportion of households in fuel poverty.</li> <li>Increase in percentage of employees in direct work.</li> <li>Increase in gross disposable household income.</li> <li>Reduction in CO<sub>2</sub> emissions (per capita and by sector).</li> <li>Increase in energy efficiency of homes and workplaces.</li> <li>Increase in local clean energy generation and demand met from clean energy sources.</li> <li>Increase in green and blue infrastructure and nature</li> <li>Reduction in average number of trips by private car</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in CO<sub>2</sub> emissions (ktCO<sub>2</sub>)</li> <li>CO<sub>2</sub> emissions (ktCO<sub>2</sub>) by sector.</li> <li>Emissions intensity ratio.</li> <li>Access to Green and Blue infrastructure and nature.</li> <li>Building energy efficiency.</li> <li>Supporting the move to a low carbon economy.</li> <li>Increased government investment.</li> <li>Increased mode share for active / sustainable modes</li> </ul>



## Investment Priority 5 – Future Transport

### KEY DRIVERS – ADDRESSING INEQUALITIES AND CONTRIBUTING TO A ZERO CARBON ENVIRONMENT.

Transport has an enabling role to play in addressing many of the challenges we face in West Yorkshire in providing access to good jobs for all and in particular the role of public transport in providing access to employment and education for those in our most disadvantaged communities. The importance of a shift from a car-dependent region as the highest emitter of carbon with around 70% of journeys to work being made by car public, means transport plays a critical role in helping reach our zero carbon ambitions. Despite further planned investment in the existing road network congestion relating to an over reliance on car trips will continue without investment in other modes of transport. Cycling, walking, road, rail, bus and a new form of mass transit all have an important role in meeting future transport demands. West Yorkshire has a target to become a net zero carbon economy by 2038 and this will not be achievable without significant decarbonisation within the transport sector. Pre COVID-19, with the climate emergency, our inclusive growth aspirations, and the challenge of reducing the productivity gap facing the region, demands were increasing from our transport networks. Therefore, the investment priorities to aid recovery stand alongside the regions existing Transport Strategy ambitions and emerging regional strategy work on connectivity, rail, future mobility, and mass transit.

For bus passengers, we have a vision for an effective, accountable, and affordable service that works for the people of West Yorkshire. Once agreed, the Combined Authority will start the process of bringing buses back into public control and the process of a franchise assessment. we will continue to work towards cheaper, simpler bus fares, green buses and a more reliable services in partnership with the bus operators whilst this work progresses. Reliable, affordable, sustainable transport is essential to enable people to access skills and job opportunities, particularly those who face disadvantage, to tackle the climate emergency and to raise our region's productivity. We are shaping our skills, inclusive growth, business support and wider infrastructure programmes to contribute to these objectives. This holistic approach will ensure we have a more significant and meaningful impact on people's lives, on the ability of our businesses and the economy to grow, and on the environment. Our Transforming Cities Fund package is part of this overall approach and is supported through this priority.

ALIGNMENT WITH SEF	HEADLINE CHALLENGES	OUTCOMES TO BE ACHIEVED	WYIS - PRIORITY AREAS FOR INVESTMENT	HOW WE WILL MEASURE SUCCESS	
				Outputs	Results
<ul style="list-style-type: none"> <li>Connectivity Strategy</li> <li>Bus</li> <li>Future Mobility</li> <li>Enabling Inclusive Growth</li> <li>Tackling the Climate Emergency</li> <li>Transport Recovery</li> </ul>	<ul style="list-style-type: none"> <li><b>Tackling persistent poverty and stalled living standards.</b> The deprivation profile of West Yorkshire has remained relatively unchanged in 15 years – there are persistent pockets of deprivation which aren't improving and considerable spatial inequalities.</li> <li><b>Transport impacting access to jobs and training.</b> Access to employment and training opportunities is curtailed by an inadequate transport offer which has not kept up with changing needs and travel patterns. There are some areas of 'transport poverty' in the region suffering from poor transport affordability and accessibility.</li> <li><b>Reducing the productivity gap.</b> West Yorkshire lags behind the UK average for productivity.</li> <li><b>Transport constraining growth.</b> West Yorkshire's population and economy is expected to grow in the future – especially with major investments such as HS2 and Northern Powerhouse Rail (NPR) – but the current public transport provision lacks the capacity to accommodate the existing and future demand.</li> <li><b>Making sustainable travel the obvious choice.</b> Bus patronage is in decline and cycling and walking have relatively low mode share – investment in sustainable transport is required to reach our full potential, reduce the reliance on private car use and contribute to becoming a net zero carbon region by 2038.</li> <li><b>Covid-19 has changed travel habits,</b> potentially forever and the ticketing range needs to evolve to meet new demands. Moving forwards, there is a need to ensure that the necessary building blocks are in place to facilitate the further modernisation and evolution of the public transport ticketing range.</li> </ul>	<ul style="list-style-type: none"> <li>Make travel by bus an effective, accountable, and affordable offer.</li> <li>Transform access for our communities of persistent poverty to employment opportunities and skills centres.</li> <li>Create smart, clean and liveable places which make cycling and walking the obvious choice for accessing town and city centres – improving air quality and reducing car dominance.</li> <li>Transform the public transport and active travel offer from housing and employment sites, ensuring that people are enabled to make sustainable travel choices from day one.</li> <li>Enhancements in ticketing and information to contribute directly to delivering a 21<sup>st</sup> Century transport system which is affordable, simple, integrated and accessible for people to travel anywhere by public transport. Passenger growth on bus and rail and future transport networks and enhanced customer satisfaction with public transport.</li> </ul>	<ul style="list-style-type: none"> <li>TCF programme – provide gap funding as required - connect people to economic and education opportunities through affordable, sustainable transport and helping to create cleaner, healthier and happier communities.</li> <li>From the Connectivity Plan – delivery of measures to reduce carbon by enabling more walking, cycling, bus and rail use through highway priority and investment in marketing, ticketing and services – improve transport access, affordability and reliability for low paid in deprived communities and disadvantaged groups.</li> <li>Make progress towards bringing buses back into public control.</li> <li>Make progress on developing a mass transit system for West Yorkshire.</li> <li>From the Connectivity Plan - Maintenance of our assets across highways and public transport for all road and public transport users – ensuring barriers to access including mobility, and connectivity are removed for our most disadvantaged groups because of poor transport links and/or quality of travel infrastructure, ensuring infrastructure development is compliant with accessible design standards.</li> </ul>	<ul style="list-style-type: none"> <li>New sustainable transport infrastructure.</li> <li>Sustainable transport links between deprived areas and employment/ training opportunities</li> <li>Jobs created in transport including construction, supply chain and operations. Carbon reduction projects (No. of EV charge points, Low Emission Buses)</li> <li>Simplified fares and information including proportion of tickets purchased digitally and uptake of new MCard products for priority groups (e.g. under-25s).</li> </ul>	<ul style="list-style-type: none"> <li>Public satisfaction with bus and rail services in the region.</li> <li>Improve public transport and active travel options for people including those living in the 20% most deprived communities.</li> <li>Reduce car trips per year.</li> <li>Reduce CO2 emissions from car travel.</li> <li>Increase use of public transport and walking and cycling</li> <li>Generate jobs and connect people to housing and employment.</li> <li>West Yorkshire mode share</li> </ul>

## Investment Priority 6 – Culture and Creative Industries

### KEY DRIVERS – ADDRESSING INEQUALITIES AND CONTRIBUTING TO A ZERO CARBON ENVIRONMENT.

The Combined Authority recognises the vital role of the creative and cultural industries in West Yorkshire, and the contribution of culture to ambitions for reducing inequalities and improving quality of life through the Economic Recovery Plan. Our aim is to make the most of the region's distinctive natural and cultural assets, enhancing pride and wellbeing and developing the local visitor economy.

The cultural assets of West Yorkshire stand out, from a rich heritage in textiles and world class sculpture to a more modern music, gaming and production chain of industries. We also boast heritage and modern cultural assets, both rural and urban, which have together contributed to a growing and confident economy with some recent landmark moments, including the arrival of Channel 4 and the opening (or revitalisation) of World class creative assets (such as the Piece Hall in Halifax). Our Education Institutions also provide national specialisms in creative skills and talent development, including the Leeds Conservatoire and Leeds Arts University, but also across the wider breadth of courses at colleges and universities in the region.

Our cultural assets and forward thinking have reaped economic benefits, with 2,200 businesses and 25,000 jobs across West Yorkshire within the arts, culture and entertainment sector directly. The sector generated economic output (gross value added / GVA) of £835m in 2018. The strength in creativity and culture has also manifested itself in wider place making: the region boasts world class events and local production supporting growth but equally has a quirkiness that creative industries provide.

In February 2020, the Combined Authority endorsed a culture vision. The vision recognised that the City Region's attractiveness as a place to live, visit and invest depends on a great quality of life, and that culture can play a key role in delivering a stronger economy and more inclusive communities. Enhancing quality of life was therefore placed at the heart of our culture framework and is now at the heart of economic recovery.

ALIGNMENT WITH SEF	HEADLINE CHALLENGES	OUTCOMES TO BE ACHIEVED	WYIS - PRIORITY AREAS FOR INVESTMENT	HOW WE WILL MEASURE SUCCESS	
				Outputs	Results
<ul style="list-style-type: none"> <li>▪ Culture</li> <li>▪ Economic Recovery</li> <li>▪ Housing, Heritage and Regeneration</li> <li>▪ Enabling Inclusive Growth</li> <li>▪ Business Productivity and Resilience</li> <li>▪ Employment and Skills</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Impact of Covid-19:</b> The sector was hit hard by the impact of Covid-19, with closures, high rates of furlough, limited operating opportunities, and exclusion from some forms of Government support.</li> <li>▪ <b>Reducing the productivity gap.</b> West Yorkshire lags behind the UK average for productivity.</li> <li>▪ <b>Access to opportunities:</b> accessing cultural opportunities and activities is not shared by all communities. More needs to be done to unlock diversity across the sector.</li> <li>▪ <b>Joined-up approach to the sector:</b> Need to strengthen collaboration with local cultural businesses and national agencies to support economic growth across the region</li> <li>▪ <b>Business engagement:</b> some creative businesses find it difficult to see the applicability of more generic support and require more specialist input.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Culture is embedded within all place-based work and place planning and is used to deliver higher quality, more connected and sustainable places.</li> <li>▪ Culture is recognised and developed for its role in supporting the visitor economy.</li> <li>▪ Cultural and creative businesses and their supply chains are developed and supported to maximise their potential.</li> <li>▪ More people are actively engaged and take part in cultural activity and there is a growth in audiences and participants of all cultural activity.</li> <li>▪ There is an increase in employment in culture, sport and arts roles across the region.</li> <li>▪ Cultural activity that promotes clean growth and sustainability is developed and promoted including active travel, walking and cycling alongside programmes that deliver key messages relating to climate change and sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Support for Economic Recovery Cultural Propositions</b></li> <li>▪ <b>West Yorkshire Heritage Fund:</b> delivery of British Library North and development of wider pipeline of heritage schemes to enhance further the vibrant heritage offer.</li> <li>▪ <b>Maximising Creative Business Potential:</b> Options for specialist support for creative and cultural industries. Aligning wider business support offer to enable sector to access support to recover from impact of Covid-19.</li> <li>▪ <b>Employment and Skills:</b> embedding creative skills into wider curriculums, developing provision to support a skilled creative workforce offering young people in particular a route in economic recovery into high quality jobs, whether that be directly in the creative industries or applying them to elsewhere in the economy.</li> <li>▪ <b>Visitor and Citizen Experience:</b> Harnessing a vibrant West Yorkshire cultural offer to drive a confident COVID-19 recovery of our places- creating a strong regional identity promoted globally, regenerating our places and ensuring our citizens can access quality experiences which enhance their lives.</li> <li>▪ <b>Support for cultural sector workers:</b> ensuring that the sector is inclusive and offers a safe and secure working environment especially for those working at night.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. businesses supported</li> <li>▪ No. new businesses established</li> <li>▪ No. people accessing careers advice</li> <li>▪ No. people from deprived communities benefiting from support</li> <li>▪ No. people with protected characteristics benefiting from support</li> <li>▪ No. empty premises utilised</li> <li>▪ No. people engaging with creative and cultural activities</li> <li>▪ No. schemes promoting access to improved health and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased employment in creative and cultural sectors</li> <li>▪ Increase in jobs created paying at Living Wage.</li> <li>▪ Increase in business start-ups.</li> <li>▪ Increased visitors to West Yorkshire</li> <li>▪ Enhanced diversity of the workforce</li> <li>▪ Enhanced participation in cultural activities particularly amongst deprived communities</li> <li>▪ Improved productivity</li> <li>▪ Carbon reduction</li> <li>▪ Health / wellbeing impacts?</li> </ul>

## 6 Identifying projects and programmes

Partners across West Yorkshire have identified, designed and delivered key projects and programmes for many years. The Combined Authority's officers will work with partners to identify opportunities and projects with the highest potential contribution to the Combined Authority's targeted objectives and outcomes.

Programmes / schemes will start to be developed through an ongoing dialogue with the local businesses, third sector and public organisations.

The Combined Authority will ensure stakeholders are informed about the availability of funding and the WYIS objectives, to allow them to identify, develop and co-design project/programme opportunities from an early stage and apply for funding clearly aligned to our investment priorities, as set out below.

As previously stated, there is commitment to fund the most effective delivery to meet objectives, and this means that delivery options will be considered from an early stage. Ultimately, we will strive to progress projects that best meet our objectives.

Other avenues for potential schemes to access funding opportunities could be through either a commissioning process or through open calls with specified deadlines for submissions. Any commissioning or open calls will aim to address specific gaps to help the Combined Authority achieve its overall ambitions;

- The Combined Authority may call for projects to fill gaps within the pipeline and whereby an innovative solution is being sought. Focused Calls will allow for greater innovative approaches to come forward without specifying the outcome, unlike a commissioning process (see below) which is more prescriptive.
- Second, it may commission strategically important projects by specifying desired outcomes and either delivering a project itself or inviting organisations to deliver the outcomes through a commission or procurement. An example could be where we wish to ensure that skills and training opportunities are provided to a certain group most affected by the changes in the economy; we could identify a project directly or invite organisations to present how they would provide that training then select the provider with the best public value proposition.

# 7 Prioritising and assessing investments

## 7.1 The Assurance Framework

The Combined Authority's investment process is described within the [Assurance Framework](#). The document outlines the steps necessary to secure investment and the arrangements in place to ensure that public money is managed effectively. It explains how the Combined Authority will identify, appraise, and evaluate schemes.

The Assurance Framework, as well as ensuring the necessary systems and processes are in place to manage funding effectively, ensures that necessary practices and standards are implemented to provide the Government, Combined Authority and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money.

## 7.2 Key principles of the investment approach

The key principle is to create a transparent and efficient journey to funding. Only those deliverable projects, with the highest potential contribution to the deliver the Combined Authority's investment priorities, will be supported.

The early stage "check and challenge" at the concept stage (Activity 1 of the Assurance Framework), will help to ensure schemes meet the investment priorities. Selection of projects must also be driven by those which support inclusive growth, climate emergency ambitions, drive social value, tackle market failure, maximise value for money and provide different kinds of return to the SIF.

The aim of the Gateway Strategic Assessment undertaken at Activity 1, is to ensure only the projects/programmes which best meet these priorities are further developed and allowed to progress to the next stage and eventually be funded.

Features and principles of the prioritisation methodology and criteria the Combined Authority will use is set out in more detail in **Appendix 3 and 4**.

The key features and principles are:

- **Evidence of contribution to the Investment Priorities** – the assessment will rank and grade the depth of intelligence presented relative to core priorities and the indicator framework.
- **Functional weighting of priorities** – a greater emphasis, at the concept stage, will be put on sequencing of projects that show clear evidence of their contribution, short term and longer term, to our recovery and climate priorities - such as those which will support the economic recovery.
- **Project logic map and logic chain** - robustness and clarity – this should clearly set out why the public sector should intervene.
- **Deliverability** – assessing readiness to deliver, as well as capacity to deliver (internally, externally, supply chain), and to deliver results quickly, and that risks have been considered and appropriate mitigations put in place.
- **Funder of last resort** – this will link to the applicant's logic map to why the public sector should intervene and that all other funding options have been exhausted.



Only schemes which meet the threshold will proceed into the Combined Authority's pipeline. Projects at this stage can be rejected or deferred. Projects that do not score highly enough will not progress but will receive formal feedback on their score. This feedback will include steps available to improve the score and the support the Combined Authority is willing to provide in taking those steps, if any. The Combined Authority does not expect any project to be submitted at the concept stage more than twice and reserves the right permanently to exclude a project.

Any projects that are subsequently resubmitted by the scheme sponsor, must make clear through the submission how previous comments have been addressed. Projects will be re-considered if it can be demonstrated that key variables/parameters have changed, at the discretion of the Combined Authority.

Combined Authority officers will manage schemes to progress through each of the assurance stages and will be solely responsible for drafting investment reports, based on information provided by the scheme sponsor and contributions by any internal and/or external consultants. This process requires applicants to make readily available all supporting materials to the application and to enable third party diligence where necessary.

The Combined Authority will also seek to be clear in advance about the resources it has available and the time likely to be required to progress a project through its approval process. It is vital for scheme sponsors to understand that on-going dialogue and information exchange with the Combined Authority, its consultants and appraisers will be necessary to reach the end of the diligence process, and that this process may require a significant commitment on the part of the sponsor.

**Please refer to Appendix 3 and 4 for further guidance on the early-stage economic case review.**

### **7.3 Funding Agreements - Conditions to Funding**

At the point where funding is released, the Combined Authority will enter into a funding agreement with the promoter. Any funding conditions will be specified in the funding agreement and can include but not limited to:

- A funding cap.
- The promoter's Chief Internal Auditor to provide assurance and to certify all expenditure on an annual basis.
- Claw-back provision in place to ensure funding is only to be spent on the specified scheme and that any cost savings achieved on the completed scheme are returned.
- Where projects could trigger a return on investment, they may be subject to overage. A consistent overage mechanism will be applicable where projects receive support through either grant or loan support or on disposal of property or assets.
- The Combined Authority, as the accountable body, will determine when to release funding.
- The Combined Authority may arrange for local audit of schemes to detect any misuse of funds.
- All organisations that receive funding through the Combined Authority are contractually required to acknowledge this, and that of Government in all communications and marketing activity. This includes use of logos on relevant

communications materials, inclusion of specified wording in press releases and development of stories and case studies that showcase the impact of schemes.

The Combined Authority will look to recover funding where there has been non-compliance, misrepresentation or under-performance. The Accountable Body arrangements in Appendix 2 set out how concerns are escalated, including taking a legal opinion on the likelihood of recovery.

**For the avoidance of doubt, no project is approved until legal documentation is entered into and complete.**

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## 8 Monitoring and Evaluation

As detailed within the Assurance Framework, all schemes are monitored throughout their progression through the assurance process.

Programmes and schemes funded by the Combined Authority are required to have a monitoring and evaluation plan as part of business case development. These should be produced as part of activity 2 (SOC) and refined and be in place at the end of activity 4 (FBC). In addition, an outputs and benefits realisation plan is also required as part of business case development.

The outputs from the monitoring and evaluation plan, together with the outputs from the outputs and benefits realisation plan will be used to assess the effectiveness and impact of investing public funds and the extent to which schemes are contributing to the overall objectives of the Combined Authority.

An [Evaluation Strategy](#) has been now been adopted by the Combined Authority, which will shape the design and development of project level evaluation activity through its focus on “Logic Models” as the basis of “activity 7” of the Assurance Framework reporting, shaping the information we capture at project closure and introducing more consistency to learning insights that we synthesise and communicate. The Evaluation Strategy sets out how logic models should be developed. Our approach to the development of the evaluation strategy recognises that it is locally owned, managed and draws on local systems; it will be proportionate and selective (i.e. not everything will be evaluated). The Evaluation Strategy provides further guidance, and recommends that partnership working takes place to identify opportunities for thematic evaluations that could be conducted across areas or centrally commissioned.

The monitoring and evaluation undertaken will support the Annual Review of the Investment Strategy and will help inform and shape activities to be supported moving forwards.

## Appendix 1: SIF Resources

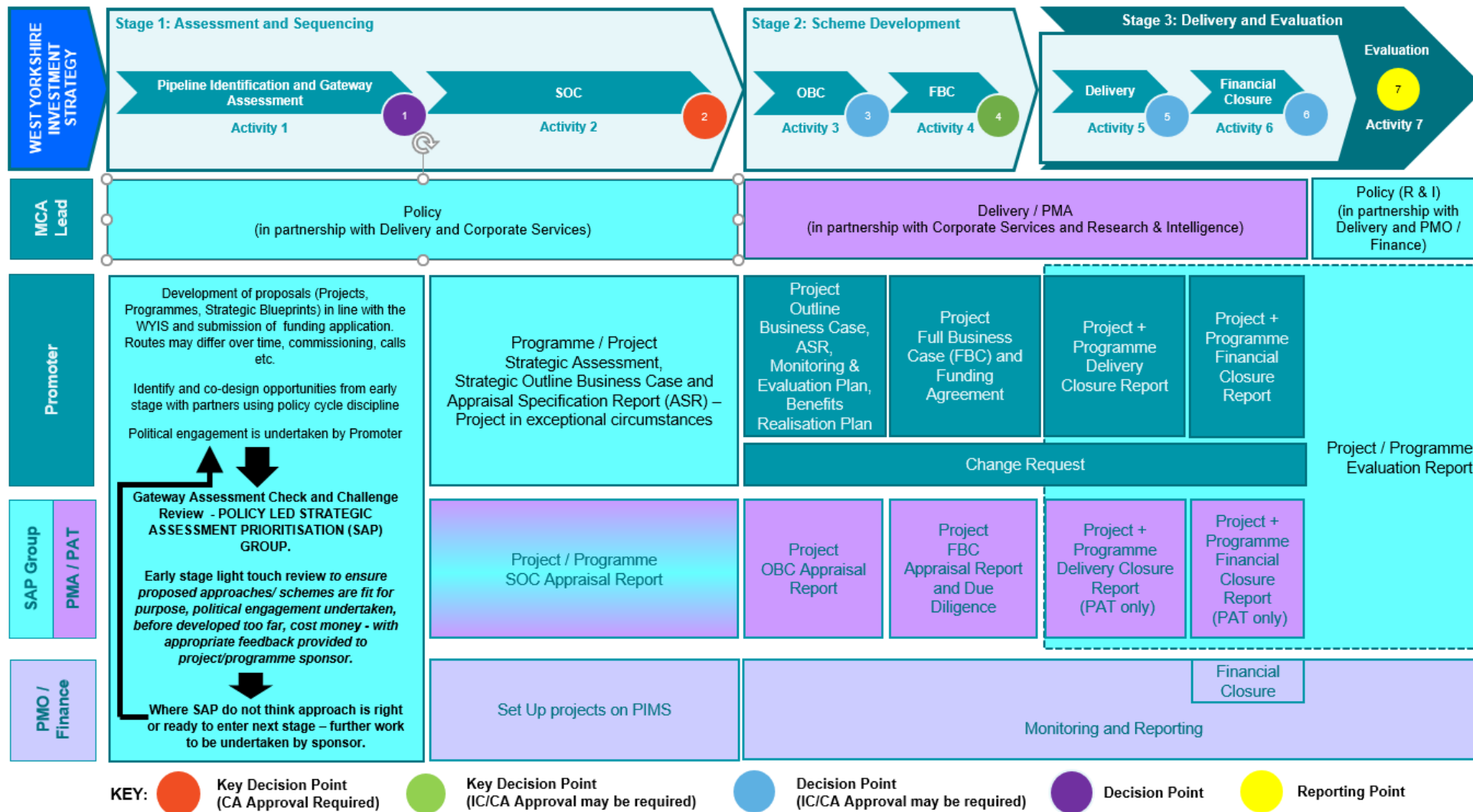
The design of the SIF recognises the different levels of funding flexibility which will need to be taken into consideration in terms of their usage. The funding included in the SIF is as follows:

- **Flexible Funds**
  - £38m per year for 30 years (25% capital, 75% revenue)
  - funding available to the Combined Authority through its ability to raise money
  - Some 'unencumbered' capital receipts (such as proceeds from asset sales).
  
- **Ringfenced for a set purpose - but flexibility in deployment**
  - Brownfield Housing Fund £67m (5 year)
  - Adult Education Budget £42m 2021-22, thereafter £65m per annum
  - £3.2m to develop a pipeline of housing sites
  - Highways/pothole monies (est. £30m)
  - Local Transport Plan (est. £13.1m)
  - Enterprise Zone receipts (est. £2.3m)
  - Intra-City Transport settlement (£7.4m, with additional funds expected)
  - Some capital receipts (including repaid Growing Places Fund) (est. £21m).
  - Future Mayoral precept receipts
  
- **Ringfenced – for a set purpose and projects are pre-determined.**
  - £317m to invest in public transport, cycling and walking through the Transforming Cities Fund, with local flexibility on delivery
  - £25m for development of a British Library North
  - £75,000 to support the West Yorkshire Local Digital Skills Partnership
  - Transport Fund gainshare (from 21/22 £30m for the next ten years, plus WY+TF Reserve (£38.3m plus annual Transport Levy contrib of est. £5.2m p.a).

Future external capital and revenue funding is expected to be added over time.



## Appendix 2: West Yorkshire Assurance Framework



## Appendix 3: Prioritisation framework

Once partners are ready to submit a funding application, assessment and prioritisation will be undertaken using a single, simple methodology. The aim of this methodology is to compare projects' contribution to our objectives, and how well they will contribute to the Investment Priorities as described in section 5, identifying the most compelling and robust schemes.

The process is as described in the Assurance Framework.

The criteria to be used to undertake the assessment at Activity Stage 1 of the Assurance Process will be:

- **Market failure – this is a pass / fail gateway criterion**
- **Strategic fit** - greater weight will be given to schemes that have a greater impact over a wider range of investment priorities as described in section 5.
- **Monetised outputs and value for money** – leverage and additionality relative sum of external funding levered and not displaced.
- **Deliverability, risk and their mitigation** - risk / deliverability score is used to prioritise projects that have lower risk / better mitigation in place.
- **Sequencing** which fully demonstrates the contribution to the most urgent priorities.
- **Contribution to Inclusive Growth and Climate Emergency ambitions.**

Each criterion is given a score, which is weighted in the following proportion:

- **Strategic fit** – out of 20 points
- **Economic efficiency and benefits** – out of 15 points
- **Deliverability, risk and their mitigation** – out of 15 points
- **Sequencing** which fully demonstrates the contribution to the most urgent priorities – out of 10 points
- **Contribution to Climate Emergency ambitions** – out of 20 points
- **Contribution to Inclusive Growth Ambition** – out of 20 points.

Therefore, each project is able to achieve a maximum score of 100 points. The higher the score achieved, the higher priority the project.

The Gateway Assessment Matrix at **Appendix 3** – sets out the criterion and evidence requirement.

Schemes which make the strongest contribution to our inclusive growth and social value objectives will be prioritised, through maximising lasting opportunities for local people and engaging sections of our community that are currently less likely to benefit.

## Gateway Assessment and Prioritisation process - Activity 1 of the Assurance Framework

As described in the Assurance Framework, programmes / schemes will be assessed on a case-by-case basis by the Strategic Assessment Prioritisation Group (SAP) to determine if they are eligible to proceed using the criteria described above, through an early-stage gateway check and challenge review.

If programmes / schemes are eligible, they will be awarded '*approved development status*' (Decision Point 1) and will then progress to Strategic Outline Case (SOC) as part of the assurance process (Activity 2).

The total prioritisation score for the project is simply the sum of the scores of the different criteria out of 100. The higher the prioritisation score, the higher priority the project is for investment via SIF.

In summary, schemes will score more highly if they:

- Demonstrate a higher level of strategic fit to the West Yorkshire Investment Priorities and demonstrate a greater impact to the outputs and outcomes listed.
- Demonstrate a higher level of financial return to the Combined Authority, has the ability to leverage additional funding, and will deliver good economic output for the region. Given the impact of COVID-19 on the economy priority will also be given to those schemes where the returns / outputs occur sooner rather than later.
- Demonstrate lower levels of project risk.

Programmes / schemes at this stage will be provided with feedback and can be rejected or deferred until further supporting information is provided. This is carried out by assessing strategic fit against the WYIS. The SAP Group will recommend a Strategic Assessment (SA) decision notification for approval by the Managing Director (or by an officer under sub-delegated authority from the Managing Director) (Decision Point 1).

## Appendix 4: Gateway Assessment Matrix

Criteria	Weight	Assessment method	Evidence requirement
<b>Market failure / funder of last resort</b> <sup>1</sup> – evidence to show that public funding is required and that other funding options have been exhausted.	N/A	<b>Pass / fail. Proposals that do not meet this criterion do not proceed any further.</b>	<p>Submission demonstrates that there is clear market failure (i.e. is a suitable focus for public funding) and that other funding sources have been explored.</p> <p>Investment will be made in projects that either:</p> <ul style="list-style-type: none"> <li>• Demonstrate a clear strategic case for public investment, for example to address market failure, or provide the enabling infrastructure for growth, and/or;</li> <li>• Represent an investment opportunity for a direct financial return to the CA on any SIF investment.</li> <li>• Market failure is defined as where it is not expected to provide an economically or socially beneficial outcome to the desired extent, at all or within an optimal timeframe. Often this occurs when the private sector cannot capture all of the benefits of investment (i.e. when many of the benefits are social / economic rather than financial return).</li> <li>• Where the market is unable to provide the full cost of capital, we will invest in the infrastructure that enables and unlocks the growth we require eg in transport, digital, social and other infrastructure. In other cases, such as investment in residential or commercial property, market failure is very much dependent on the specifics of a given investment.</li> <li>• We may also invest in public goods and public value, where the wider benefits to the people and places of the region are the primary return on investment.</li> </ul>
<b>Political Engagement –</b>	N/A	<b>Pass / fail. Proposals that do not meet this criterion do not proceed any further.</b>	<ul style="list-style-type: none"> <li>• Clear demonstration that the project or proposal and the need which it is addressing has been discussed or debated through a Combined Authority or Local Authority committee, sub-committee or standing panel.</li> <li>• Has been discussed through other local consultative forums appropriate to the CA governance structure and the governance structure of the constituent local authorities which make up the Combined Authority.</li> </ul>

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Criteria	Weight	Assessment method	Evidence requirement
<p><b>Strategic fit</b> – how the project supports the strategic investment priorities of the West Yorkshire Investment Strategy (WYIS) and contributes to delivery of the priority outcomes. For each 5-year period of the WYIS the key outcomes and indicators will be set – factoring in sequencing of investments (priorities and outcomes derived from SEF, transport and economic recovery plans).</p>	20	<p>Project scored in terms of its impact / contribution to WYIS priorities.</p> <p>4 – very high impact 3 – 2 – 1 – very low impact</p> <p>This is a qualitative assessment.</p>	<ul style="list-style-type: none"> <li>• Determining strategic fit is concerned with the logic of an intervention and evidence that the logic is, or can be made, robust.</li> <li>• Determining strategic fit is also about to what extent the intervention addresses the strategic investment priorities of the WYIS.</li> <li>• Logic model showing how the project activities and outputs contribute to strategic priorities and outcomes of the WYIS is required.</li> <li>• Section 5 sets out our strategic investment priorities. The submission should be clear how the strategic investment priorities will be delivered. <i>Projects which do not credibly demonstrate that they will address one or more of the strategic investment priorities will be rejected.</i></li> <li>• Rigour of the logic model should be demonstrated with reference to evaluation / success of past projects. It should be as specific as possible and cite facts rather than rely on generalities.</li> </ul>
<p>Economic efficiency and benefits – prioritisation of projects that deliver practical outputs linked to key outcomes set out in the WYIS.</p>	15	<p>At this stage in the process the focus in the assessment is on contextualising the economic efficiency of the proposed investment.</p> <p>Scheme sponsors will be expected to demonstrate that they have undertaken an assessment of the likely range of unit costs associated with the anticipated outputs. The SA appraisal will focus on evidence of similar interventions and clarity in the scheme logic model on these benchmark costs.</p> <p>This part of the appraisal will also consider the clarity and coherence of the headline logic model</p> <p>Assessed on a four-point scale relative to an agreed benchmark: 4 – Strong and compelling evidence of scheme benefits 3 – 2 – 1 – No evidence of scheme benefits.</p>	<ul style="list-style-type: none"> <li>• Evidence that outputs are achievable - benchmark VfM unit costs.</li> <li>• As part of the submission, the project sponsor will describe the amount of leverage – schemes which achieve greater leverage, and so amplify the impact of the CA's investment will be prioritised.</li> <li>• As part of the submission the project sponsor will be expected to set a clear headline logic model with the relationship between scheme inputs, outputs and outcomes clearly articulated.</li> </ul>

Criteria	Weight	Assessment method	Evidence requirement								
<b>Deliverability / risk</b> – prioritise projects that demonstrate that they are deliverable, are lower risk / have mitigation in place.	15	Assessed on a four-point scale reflecting degree of risk associated with the project: 4 – very low risk 3 – 2 – 1 – high risk  This is a qualitative assessment.	<ul style="list-style-type: none"> <li>Project plan; risk register; resources available.</li> <li>Assessment will be undertaken to assess whether a project is realistically deliverable within the proposed timeframe. Track record and past experience may form part of the evidence checks.</li> <li>The assessment includes checking that mitigating steps are planned and set out where identified. This is particularly important in relation to the proposed project management / delivery team and to check it is adequately resourced.</li> <li>Consideration should be given to how deliverability failure could manifest itself and what would the implications be? (in terms of time and cost).</li> </ul>								
<b>Sequencing</b> – demonstrates contribution to most urgent priorities (eg. first 5-year plan urgency to respond to Recovery priorities).	10	Impact of proposal on urgent priorities: 4 – very high impact 3 – 2 – 1 – very low impact  This is a qualitative assessment.	As per strategic fit.								
<b>Climate and Environment</b> – demonstrates contribution to Climate Emergency priority	20	Impact of proposal on urgent Climate and Environment Emergency priorities: 4 – very high impact 3 – 2 – 1 – very low impact  This is a structured qualitative assessment.	<ul style="list-style-type: none"> <li>Evidence that the proposal and its design has considered the overarching priorities of the Tackling the Climate Emergency Roadmap and Action Plan and demonstration of how the design addresses the key themes and sectors;</li> <li>Evidence of the how the project will specifically address the following climate and sustainability issues (these will be used in presentation of “Doughnut Decision Wheel”)</li> </ul> <table border="1"> <tr><td>Green House Gases</td></tr> <tr><td>Air quality</td></tr> <tr><td>Renewable energy</td></tr> <tr><td>Climate change adaptation and resilience</td></tr> <tr><td>Water resources</td></tr> <tr><td>Biodiversity</td></tr> <tr><td>Land use</td></tr> <tr><td>Waste management</td></tr> </table>	Green House Gases	Air quality	Renewable energy	Climate change adaptation and resilience	Water resources	Biodiversity	Land use	Waste management
Green House Gases											
Air quality											
Renewable energy											
Climate change adaptation and resilience											
Water resources											
Biodiversity											
Land use											
Waste management											

Criteria	Weight	Assessment method	Evidence requirement								
<b>Inclusive Growth</b> – demonstrates that proactive approach to inclusion is integral to project.	20	Impact of proposal on fostering inclusive growth: 4 – very high impact 3 – 2 – 1 – very low impact  This is a structured qualitative assessment.	As per strategic fit.  Inclusive growth element cannot be a bolt-on and project must demonstrate a proactive and targeted approach to engaging with and bringing benefit to disadvantaged groups (outreach, tailored support etc).  Supporting this assessment evidence will be required of how the project will specifically address the following inclusive growth themes (these will be used in presentation of “Doughnut Decision Wheel”):  <table border="1"> <tr><td>Health</td></tr> <tr><td>Jobs</td></tr> <tr><td>Mobility</td></tr> <tr><td>Income</td></tr> <tr><td>Fuel poverty</td></tr> <tr><td>Housing</td></tr> <tr><td>Education</td></tr> <tr><td>Crime</td></tr> </table>	Health	Jobs	Mobility	Income	Fuel poverty	Housing	Education	Crime
Health											
Jobs											
Mobility											
Income											
Fuel poverty											
Housing											
Education											
Crime											
<b>Total</b>	<b>100</b>										

**Any project scoring less than 60 overall would not be accepted onto the pipeline; those scoring 60 or more would progress and would be ranked according to their overall score.**

It should be noted that acceptance onto the pipeline does not guarantee funding, this will be determined by the financial strategy and the resources available.