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**Report to:** Finance, Resources and Corporate Committee

**Date:** 3 November 2021

**Subject:** **Capital Spending and Project Approvals**

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## **1 Purpose of this report**

- 1.1 To report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects that have been considered at stages 1, 2 and 3 of the Combined Authority's assurance process.
- 1.2 The Finance, Resources and Corporate Committee has delegated decision making authority approved by the Combined Authority on 24 June 2021. Where the Finance, Resources and Corporate Committee is asked to make an approval decision this will be highlighted in the summary table and made clear in the recommendations.
- 1.3 The recommendations can be found in Section 13 of this report.

## **2 Impact of COVID-19**

- 2.1 With the impact of COVID-19 on the region and its economy, it is more important than ever to assess the changes to the landscapes of our towns and cities and the impact on current and future planned schemes, particularly, but not exclusively, those relating to transport.
- 2.2 Although it is generally expected that in the medium and long-term behaviours will return to the pre COVID-19 position, the impact of COVID-19 in relation to travel behaviour into and around towns and cities will be assessed as part of scheme appraisal and any assumptions made to address issues identified prior to the pandemic will be re-tested.

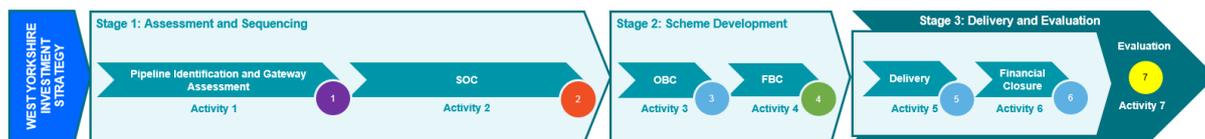
## **3 Tackling the Climate Emergency Implications**

- 3.1 The Combined Authority has taken action to ensure all decisions we make include Climate Emergency considerations. The Combined Authority:

- Has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.
  - Requires LEP and the Combined Authority reports to include clean growth / tackling the Climate Emergency implications, including qualitative impact assessments.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust, quantifiable methodology and tool for assessing all new schemes predicted carbon emissions/wider clean growth impacts is being developed.
- 3.3 Work is currently underway to refine the toolkit methodology by assessing a selection of existing capital schemes progressing through the assurance process. Draft results of the outcomes of these assessments, including any potential mitigation of carbon impact, are currently being prepared and will be presented to the Combined Authority before the end of the calendar year. This represents a delay due to difficulties encountered carrying out carbon impact assessments on an initial subset of schemes. This has allowed the consultants to take these challenges into account in making improvements to the methodology. The tool will be incorporated into the Assurance Framework so that it can be used to assess future proposals as they progress through the assurance process. This part of the commission will involve a training element to ensure carbon assessment is properly embedded in the assurance process.
- 3.4 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will reduce carbon emissions (both directly and indirectly).

#### **4 Report**

- 4.1 This report presents proposals for the progression of two schemes through the Combined Authority's assurance process in line with the Combined Authority's Assurance Framework. These schemes have a funding value of £1,100,000 when fully approved, of which £1,100,000 will be funded by the Combined Authority. A total expenditure recommendation to the value of £1,100,000 is sought as part of this report for the development and delivery of these schemes. Further details on the schemes summarised below can be found as part of this report.
- 4.2 The assurance process is a three-stage approach with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass decision point 2 (strategic outline case) and 4 (full business case), with the requirement to meet the intervening activities deemed on a project-by-project basis.
- 4.3 For more detail on the Combined Authority's Assurance Framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.



### Stage 1: Assessment and Sequencing

- 4.4 Programmes / schemes will start to be developed through an ongoing dialogue with the Region’s businesses, third sector and public organisations, in line with the WYIS. Schemes will access funding through either a commissioning process or through open calls. Programmes / schemes will be assessed through a Strategic Assessment (an early-stage gateway check and challenge review) to determine if they are eligible to proceed (Decision Point 1).
- 4.5 If approved the scheme will progress to strategic outline case (SOC), where schemes will be expected to demonstrate a strategic fit in terms of project outcomes and set out their proposed approach to establishing value for money (VfM). At this stage, a long list of options will be considered with a shortlist being presented in the SOC. Consultation at this stage will be limited, but will be a key to the next activity, outline business case (OBC) in Stage 2. At this stage, funding may be sought to enable work to progress on the OBC. Schemes will also be required to submit an Appraisal Specification Report (ASR). It is at the end of this stage where the Combined Authority approve the indicative funding, approval pathway and route and tolerance levels (Decision Point 2).

### Stage 2: Scheme Development

- 4.6 If approved the scheme will progress to outline business case (OBC) unless the approval pathway set at decision point 2 does not require this. The OBC should revisit the options identified within the SOC to identify the option which optimises public value, confirm the affordability of the scheme, and put in place the arrangements to ensure successful delivery. The OBC should be prepared in accordance with the Green Book five-case model and should include a draft Monitoring and Evaluation Plan and a Benefit Realisation Plan. The Economic Case must be developed in consistency with the agreed ASR. Guidance will be provided to scheme promoters around the level of detail to be submitted at this stage with regards to proportionality of the business case. The scheme will be presented for approval by the decision-maker (Decision Point 3) as set out in the approval pathway and route approved at Decision Point 2.
- 4.7 If approved the scheme will progress to full business case (FBC) which will confirm the contractual arrangements for the preferred option. Affordability of the scheme is reiterated, and the scheme puts in place the final arrangements for delivery and monitoring and evaluation of the scheme. A Monitoring and Evaluation Plan and a Benefit Realisation Plan are mandatory products at this stage. The FBC should also be prepared in accordance with the five-case model and any conditions set at OBC should be resolved. The economic case must be developed in consistency with the agreed ASR. The scheme will be

presented for approval by the decision-maker (decision point 4) as set out in the approval pathway and route approved at decision point 2.

- 4.8 The FBC approval will be granted with a condition that the scheme remains within set conditions. Where this condition has been met Approval to Proceed into Delivery (Activity 5) will be granted by the Managing Director (or by an officer under sub-delegated authority from the Managing Director). If the condition(s) is not met, the project will be required to re-submit the FBC.

### Stage 3: Delivery and Evaluation

- 4.9 Once a scheme gains FBC approval and the conditions set have been met, the scheme can progress into Activity 5 (Delivery).
- 4.10 Upon scheme completion, a Delivery Closure Report is required that details how the scheme has performed. This includes whether delivery has remained within the timeframes specified within the business case, has achieved the objectives of the scheme and associated outputs, documents what has been delivered and highlights the overall costs. The Delivery Closure Report will be presented for approval by the decision-maker (Decision Point 5) as set out in the approval pathway and route approved at Decision Point 2.
- 4.11 Following completion of Activity 6, the scheme will be required to submit a Financial Closure Report (Activity 6). The Financial Closure Report confirms the final costs for the scheme, ensuring all payments have been completed. The Financial Closure Report will be presented for approval by the decision-maker (Decision Point 6) as set out in the approval pathway and route approved at Decision Point 2.
- 4.12 The purpose of the Delivery and Financial Closure Reports is to assess the success of the scheme, identify best practice for future schemes, resolve all open issues and to capture feedback and lessons learnt to inform the development and delivery of future schemes.
- 4.13 Activity 7 (Evaluation) will be managed by the Combined Authority's Research & Intelligence team. This is a reporting point as opposed to the previous decision points in the process and will be undertaken when the scheme is completed for an evaluation of the benefits, outcomes and economic impact compared to the overall objectives set out in the SOC. Insights and learning intelligence from evaluation will also be fed back into policy and strategy in order to inform the design and development of future schemes. Interim evaluations may also be undertaken as required as set out in the Monitoring and Evaluation Plan.

### **Value for Money - Benefit Cost Ratios**

- 4.14 The Benefit to Cost Ratio (BCR) for some of the schemes in this report potentially represent low value for money, when assessed using the Department for Transport's Transport Appraisal Guidance TAG on the appraisal of transport schemes.

- 4.15 This is because whilst calculating benefits to costs of a transport scheme there are many more journeys made by car than are made by bus, cycling, and walking and as a consequence the monetised benefits arising from improvements to bus, cycling and walking journeys may be outweighed by the monetised dis-benefits to car users.
- 4.16 However, a key strategic objective of investment is to encourage modal switch to more sustainable modes and therefore whilst the 'core' BCR (i.e. following Green Book guidance on total impact on the society as a whole) for some schemes may be low, discounting the dis-benefits to car users from the appraisal will result in a higher BCR and where possible this 'range of BCR' will be presented to support decision making. This is in line with HM Treasury guidance where appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 4.17 Her Majesty's Treasury (HMT) have now completed the review of the Green Book. The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes, and projects. This review has endorsed the Combined Authority's approach by clarifying that overall Value for Money judgement should not depend solely on the BCR but be informed by a balanced consideration of all relevant evidence, that is, appraisal should take account of all five cases (strategic, commercial, economic, financial and management) and the economic case be balanced with these.
- 4.18 In particular, HMT have clarified further that in assessing value for money, a stronger emphasis can now be placed on the strategic case and how the strategic objectives and priorities of the Combined Authority will be met through the delivery of a project. This might for example include, but not limited to, a greater focus on regional impacts to help deliver Levelling Up, ensuring transformational projects are given due consideration, supporting the climate change and good growth agenda (the Combined Authority aims to achieve net-zero by 2038), supporting an increase in active mode and public transport use, supporting / accelerating housing development and allowing a greater emphasis on the requirement to carry out equalities analysis as required by the Public Sector Equalities Duty. The specific approach will be determined on a programme-by-programme basis as funding and investment streams come forward.

<p><b>Fair Work Charter</b></p> <p>West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>The scheme will contribute to achieving the Mayor of West Yorkshire's pledge to support local business and also aligns with the Combined Authority's Strategic Economic Framework, specifically in relation to inclusive growth.</p> <p>A Fair Work Charter secures commitment from employers to drive positive employment behaviours and practices and recognises their efforts through accreditation.</p> <p>The scheme will develop, launch, and embed a West Yorkshire Fair Work Charter which aims to boost workforce productivity, profitability, innovation, reduce in-work poverty, boost health and wellbeing, and promote greater economic inclusion for disadvantaged groups and communities.</p> <p>The scheme will recruit a dedicated team to increase capacity and expertise to engage with businesses and to undertake communications and marketing activities to support the launch and raise awareness of the Charter, its benefits and to encourage businesses to seek accreditation. Activities will complement existing business engagement and support offered by the Combined Authority and its partners.</p> <p>This scheme will be funded from the Single Investment Fund.</p> <p><b><u>Impact</u></b></p> <p>A Fair Work Charter has the potential to positively change the way the economy works by creating an inclusive and accessible fair work 'movement' by setting "the standards we expect for good work in our region" and supporting businesses to realise the benefits to both employees and employer.</p> <p>The scheme's wider social benefits include reducing in-work poverty, boosting health and wellbeing and promotion of greater inclusion for disadvantaged groups.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) and work commences on activity 5 (Delivery).</p> <p>Total value of the scheme - £600,000</p> <p>Total value of Combined Authority funding - £600,000</p> <p>Funding recommendation sought - £600,000</p> <p>A decision by the Finance, Resources and Corporate Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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<p><b>Supporting Local Business Pledge Development Programme</b></p> <p>West Yorkshire</p>	<p><b><u>Scheme description</u></b></p> <p>The scheme will develop a programme pipeline, focussing on new activities to support businesses, which complement the existing business support offered by the Combined Authority and local partners. The pipeline developed will be especially linked to the needs of businesses in economic recovery, in line with the West Yorkshire Investment Strategy (WYIS).</p> <p>The scheme will recruit two new Combined Authority posts to develop the programme pipeline which proposes to include:</p> <ul style="list-style-type: none"> <li>• The design, development, and piloting of new activities to support businesses to recover, by improving their productivity and resilience.</li> <li>• Development of a Mayoral Challenge competition and empowering the West Yorkshire Innovation Network's work to stimulate further entrepreneurial innovation and new support activities</li> <li>• Developing a regional approach to working with sectors on key agendas, for example boosting productivity, including delivering the West Yorkshire Manufacturing Task Force</li> </ul> <p>Work will also take place to identify new activities which could support the growth of co-operative, social enterprise, and worker-owned businesses.</p> <p>The scheme will commission work from external organisations when additional resource and / or expertise is required.</p> <p>The scheme is seeking approval for £500,000 from the Single Investment Fund which will fund the programme for three years. This will fund the development of the programme pipeline only. Additional funding will need to be secured to deliver any new programmes and projects identified.</p> <p><b><u>Impact</u></b></p> <p>The scheme will support local businesses, especially those in economic recovery, to become more productive and more resilient, by developing and piloting a range of new business support activities. The development of the programme pipeline will support future funding bids and increase the knowledge and understanding of what businesses, social enterprises, cooperatives, and other types of business need so that any new activities offer the right support.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (SOC) and decision point 4 (FBC) and work commences on activity 5 (Delivery).</p> <p>Total value of the scheme - £500,000</p> <p>Total value of Combined Authority funding - £500,000</p> <p>Funding recommendation sought - £500,000</p> <p>A decision by the Finance, Resources and Corporate Committee using the delegated authority from the Combined Authority is sought as part of this report</p>
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**Decisions relevant to this thematic committee made through other delegations**

- 4.19 Since the Finance, Resources and Corporate Committee's meeting on 8 September 2021, the following decision points and change requests have been assessed in line with the Combined Authority's assurance process and approved by the Combined Authority on 21 October 2021. A total expenditure of £1,000,000 has been approved.
- 4.20 Please note that on 24 June 2021 the Combined Authority delegated approval of the two schemes shown below to the Finance, Resources and Corporate Committee. To expedite scheme delivery and to avoid any delay the schemes were presented to the Combined Authority on 21 October 2021.

<p><b>Green Jobs Taskforce and Gateway</b> West Yorkshire</p>	<p><b>Scheme description</b></p> <p>The Green Jobs Taskforce and Gateway scheme will support the Mayor of West Yorkshire's pledge to 'create 1,000 well paid, skilled, green jobs for young people'. The scheme will also support the region's commitments to be net zero carbon by 2038 by supporting green skills and jobs.</p> <p>The scale, reach, provision and future demand for green skills and jobs in West Yorkshire, is not currently known. The scheme will research what is currently available, future demand and identify any gaps in provision, to develop a plan of actions the Combined Authority can take to support achievement of the pledge and net zero carbon target and to capitalise on the opportunities and longer-term benefits from 'greening of the economy'. The research will include how the Combined Authority's own current and future programmes can support green skills and jobs.</p> <p>The scheme will fund two new Combined Authority posts to work with the newly convened West Yorkshire Green Jobs Taskforce. The taskforce will provide input into the development of a Green Jobs Gateway, a web portal launched in August 2021, where employers can pledge jobs, and support is provided by sign posting to employment and skills services in the region.</p> <p>The scheme will also fund marketing and communications to promote the taskforce's work, including raising awareness of its findings to individuals and businesses.</p> <p>The scheme is seeking approval for £500,000 from the Single Investment Fund, which was agreed in principle by the Combined Authority on 24 June 2021.</p> <p><b>Impact</b></p> <p>The scheme will provide the Combined Authority with a comprehensive understanding of current green jobs and green skills and future demand in West Yorkshire. Actions will be identified, and a plan produced which the Combined Authority can use to support achievement of the Mayor's pledge and net zero carbon target. The scheme will also identify how the Combined Authority can contribute to the pledge and net zero target through its own current and future programmes and how it can influence partners it works with to support green skills and jobs.</p> <p><b>Decision</b></p> <p>The Combined Authority gave approval to proceed through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) and work commences on activity 5 (Delivery).</p> <p>Total value of the scheme - £500,000</p> <p>Total value of Combined Authority funding - £500,000</p> <p>Funding approved - £500,000</p>
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<p><b>Creative New Deal</b></p> <p>Leeds City Region</p>	<p><b>Scheme description</b></p> <p>This scheme will support development and delivery of activities to support the cultural and creative industries across West Yorkshire as the region emerges from the Covid-19 pandemic. The package of proposed activity will ensure that the Mayor's pledge for a Creative New Deal can be delivered as a prioritisation of a key objective of the Economic Recovery Plan. Further funding will be required to meet the scale of these ambitions, and this work will enable a robust business case to be developed to secure further delivery.</p> <p>Two strands of activity will be supported:</p> <p>Strand one: boosting capacity to deliver a creative new deal including a continuation of the Beyond Brontes programme, an existing scheme which aims to address under representation within the screen industries, by breaking down the perceived and actual barriers that can prevent young people (aged 18-24) from diverse backgrounds starting and establishing careers within the industry.</p> <p>Strand two: progress the concept of a town of culture award, a new initiative for West Yorkshire to promote culture, and for developing the concept of a theatre without walls to maximise the collective potential and access to theatre in the region.</p> <p>Supporting the creative and cultural industries is a key Mayoral priority.</p> <p>The scheme is seeking approval for £500,000 from the Single Investment Fund, which was agreed in principle by the Combined Authority on 24 June 2021.</p> <p><b>Impact</b></p> <p>Funding will build capacity and expertise to support businesses and communities across West Yorkshire to make sure that people from diverse backgrounds are able to participate in and benefit from the creative industries.</p> <p><b>Decision</b></p> <p>The Combined Authority approved decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) and work commences on activity 5 (Delivery).</p> <p>Total value of the scheme - £500,000</p> <p>Total value of Combined Authority funding - £500,000</p> <p>Funding approved - £500,000</p>
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**Decisions made through the delegation to the Director of Delivery**

4.21 The following decision point 7 (Financial Closure Report on the old assurance pathway) reports have recently been assessed in line with the Combined Authority’s assurance process and approved through the agreed delegation to the Combined Authority’s Director of Delivery.

<b><u>Scheme</u></b>	<b><u>Scheme description</u></b>
Corporate Technology Programme	<p>This programme, fully funded from the Combined Authority’s Corporate Projects allocation at a total final cost of £4,035,000 aimed to deliver the Combined Authority’s Corporate Technology Strategy (CTS) which was approved on 20 March 2018. The programme consisted of ten objectives, with 37 individual tasks grouped into 16 delivery areas.</p> <p><b><u>Impact</u></b></p> <p>The programme has delivered five of its ten objectives:</p> <ul style="list-style-type: none"> <li>• Established a Partnership Management Model with a third party for the procurement, development, and implementation of new technology services.</li> <li>• Provided the Combined Authority with Public Services Network (PSN) so that it can connect to other public sector systems.</li> <li>• Developed and implemented a new equipment allocation policy so staff have devices that meet the requirements of their roles.</li> <li>• Implemented technology that provides quick access to internal documents from any location and from mobile.</li> <li>• Provided SharePoint expertise to support and develop systems such as the Project Management Information System (PIMS) and the organisation’s Intranet by January 2019.</li> </ul> <p>The remaining ongoing objectives have now been incorporated into the MCA Digital Programme.</p> <p><b><u>Decision</u></b></p> <p>The Director of Delivery gave approval that:</p> <p>The project closure report for the CTP project is approved, and the programme proceeds through Decision Point 7 and work continues on Benefits Realisation as outlined in this report.</p>

## **5 Information**

5.1 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

5.2 This report provides information required to enable the Combined Authority to approve each of the above elements.

## Projects in Stage 1: Assessment and Sequencing

<b>Project Title</b>	<b>Fair Work Charter</b>
<b>Stage</b>	1 (eligibility)
<b>Decision Point</b>	2 (strategic outline case)

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

### Background

- 5.3 The scheme will contribute to achieving the Mayor of West Yorkshire's pledge to support local business and also aligns with the Combined Authority's Strategic Economic Framework, specifically in relation to inclusive growth.
- 5.4 The experience of the COVID-19 pandemic has highlighted how some employment behaviours and practices have adversely impacted on people's physical and mental wellbeing and in-work poverty.
- 5.5 A Fair Work Charter secures commitment from employers to drive positive employment behaviours and practices and recognises their efforts through accreditation. When effectively designed, resourced, and implemented, a charter has the potential to address in-work poverty, wellbeing, inequality, and productivity challenges and change the way the economy works by creating an inclusive and accessible fair work 'movement' which benefits employees and employers.
- 5.6 The West Yorkshire Fair Work Charter aims to boost workforce productivity, profitability, innovation, reduce in-work poverty, boost health and wellbeing, and promote greater economic inclusion for disadvantaged groups and communities.
- 5.7 The Charter also aims to change employers' behaviours and practices by addressing:
- in-work poverty

- poor mental health and the resulting risk of exclusion from the labour market,
  - barriers created by inequalities for many communities that lead to higher unemployment and lack of social mobility
  - improve innovation and productivity caused by inequalities
- 5.8 A steering group of partners and stakeholders has been set up including representatives from the Chartered Institute of Personnel and Development (CIPD), the Advisory, Conciliation and Arbitration Service (ACAS), the NHS, Chambers of Commerce and Federation of Small Businesses. The steering group will lead the development of the Fair Work Charter through co-design, consultation and research into appropriate measures which will enhance fairness in the workplace.
- 5.9 Early consultation with stakeholders and partners is already underway and has benefitted from engagement with Manchester and Liverpool which have developed their own Fair Work Charters.
- 5.10 The scheme will support the launch of the Charter and its uptake by local businesses. The scheme will recruit a dedicated team to increase capacity and expertise to engage with businesses and to undertake communications and marketing activities to support the launch and raise awareness of the Charter, its benefits and to encourage businesses to seek accreditation. Activities will complement existing business support offered by the Combined Authority and its partners.
- 5.11 The scheme is expected to support businesses to adopt the Charter and commit to and achieve accreditation, with existing good practice being recognised and areas for development identified to allow employers to make changes to achieve the criteria to become a 'fair work employer'.
- 5.12 The scheme is seeking approval for £600,000 from the Single Investment Fund.
- 5.13 A summary of the scheme's business case is included in **Appendix 2**.

### **Tackling the Climate Emergency Implications**

- 5.14 The development of the Fair Work Charter will provide opportunities to engage with more businesses and raise awareness of the business support available to help tackle the climate emergency. The scheme will engage with different types of businesses, including social enterprises and cooperatives that the Combined Authority has not previously worked with, creating further opportunities to raise awareness of the climate emergency.
- 5.15 There are also opportunities for the Charter itself and associated accreditation, to influence employer behaviours and practices which support measures to tackle the climate emergency. For example, an employer promoting and supporting employee wellbeing leads to an increase in cycling and walking

which will lead to a reduction in carbon. This will be explored as the steering group develops the Charter.

### **Outputs, Benefits, and Inclusive Growth Implications**

5.16 The scheme outputs and benefits include:

- Boosting workforce productivity
- Increasing profitability, revenue, and innovation
- Reducing in-work poverty
- Improving health and wellbeing
- Promoting greater economic inclusion for disadvantaged groups and communities

5.17 The Combined Authority's Inclusive Framework, adopted in March 2021 as part of the Strategic Economic Framework, included the ambition of 'Our Employers provide Good Work because they, value and benefit from diversity (at all levels), actively promote employee welfare, and invest in their workforce'. The scheme directly links to and supports this ambition, the Mayor's focus on inclusion and the pledge supporting local businesses.

### **Equality and Diversity Implications**

5.18 An Equality Impact Assessment (EQIA) has been undertaken for the project and equality and diversity impacts taken account of as part of the development of the project and the business case development. As the Fair Work Charter develops, equality and diversity impacts will be further taken account of.

### **Risks**

5.19 The scheme risks include:

- Lack of capacity to support delivery of the Charter, mitigated by early identification of staffing resource within the Combined Authority to support delivery until dedicated resource is in place.
- Lack of external expertise / market interest to support delivery, mitigated by early engagement with experts to secure early interest in supporting the development of the Charter.
- Employers unable or unwilling to engage with the Charter and accreditation because of other priorities for example resourcing / recruitment / covid recovery / energy costs. Mitigated by communicating to businesses how the Charter and becoming a fair work employer can help some of their challenges.

### **Costs**

5.20 The total scheme costs are £600,000 which will be solely funded by the Combined Authority from the Single Investment Fund.

- 5.21 The Combined Authority agreed £600,000 in principle on 24 June 2021, to support development of the West Yorkshire Fair Work Charter, as part of the Mayor’s pledge to support local businesses.

### Assurance Pathway and Approval Route

Assurance pathway	Approval route	Forecast approval date
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance, Resources and Corporate Committee	03/11/2021
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance, Resources and Corporate Committee	03/11/2021
5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/07/2024
6 (financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/07/2024
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/10/2024

### Other Key Timescales

- 5.22 Delivery starts November 2021
- 5.23 Steering group’s first meeting - October 2021
- 5.24 Recruitment of delivery team starts – November 2021
- 5.25 Launch and implementation of the Charter – March 2022

### Assurance Tolerances

Assurance tolerances
Combined Authority costs remain within those outlined in this report. Delivery (DP5) timescales remain within 3 months of those outlined in this report.

## **Appraisal Summary**

- 5.26 The Fair Work Charter scheme has a strong strategic fit with the Combined Authority's Strategic Economic Framework, specifically the Inclusive Growth Framework and supports the Mayor's pledge to introduce a Fair Work Charter and support local businesses and the Mayor's wider inclusivity agenda.
- 5.27 The scheme benefits from lessons learned and good practice established by the experience of similar schemes in Liverpool and Manchester and has made early engagement with stakeholders. The Business, Economy and Innovation Committee will provide strategic oversight and guidance for delivery. Progress will also be overseen by the Mayoral Combined Authority programme, using existing governance structures and process.
- 5.28 The Combined Authority delegated decision point 2 approval to the Finance, Resources and Corporate Committee, alongside the agreement in principle for the funding, in June 2021.
- 5.29 A Strategic Outline Case has been submitted but it is recommended that the scheme progresses through decision point 2 and decision point 4 and goes direct to activity 5 (delivery).

## **Recommendations**

- 5.30 The Finance, Resources and Corporate Committee approves that:
- (i) The Fair Work Charter proceeds through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) with Approval to Proceed to activity 5 (delivery).
  - (ii) Approval to the Combined Authority's contribution of £600,000. The total scheme value is £600,000.
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Business, Economy, and Innovation Committee. This will be subject to the scheme remaining within the tolerances outline in the report.

<b>Project Title</b>	<b>Supporting Local Business Pledge Development Programme</b>
<b>Stage</b>	1 (eligibility)
<b>Decision Point</b>	2 (strategic outline case)

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

## Background

- 5.31 The Supporting Local Business Pledge Development Programme scheme will support the Mayor of West Yorkshire’s pledge to “support local businesses and be champion for our regional economy”. The scheme will also support the Economic Recovery Plan, which sets out how the Combined Authority will grow a more inclusive, resilient, sustainable economy with more productive businesses, better levels of skills and entrepreneurialism, less inequality and environmental sustainability.
- 5.32 The scheme will develop a new programme pipeline, focussing on new activities to support businesses, which will complement the existing business support offered by the Combined Authority and local partners. The pipeline developed will be especially linked to the needs of businesses in economic recovery, in line with the West Yorkshire Investment Strategy (WYIS).
- 5.33 The pipeline developed under this scheme proposes to include:
- The design, development, and piloting of new activities to support businesses to recover, by improving their productivity and resilience. Activities are likely to include support around strategic planning, investment, exporting and delivering good / fair work.
  - Development of a Mayoral Challenge competition and empowering the West Yorkshire Innovation Network’s work to stimulate further entrepreneurial innovation and new support activities.
  - Developing a regional approach to working with sectors on key agendas, for example boosting productivity. This will include delivering the West

Yorkshire Manufacturing Task Force, to represent manufacturing businesses and produce recommendations on the sector's future needs.

- 5.34 The scheme will fund two new dedicated Combined Authority posts. The Programme Development Lead and Policy Officer will work between policy and delivery teams, to manage the pipeline development, engagement with partners and other stakeholders and to explore future funding options to deliver the pipeline programmes identified.
- 5.35 Work will also take place to identify new activities to support the growth of co-operative, social enterprise, and worker-owned businesses.
- 5.36 The scheme will commission work from external organisations when additional resource and / or expertise is required. For example, when developing new activities for social enterprises or cooperatives and other types of business which the Local Enterprise Partnership Growth Hub has not worked with before.
- 5.37 The scheme is seeking approval for £500,000 from the Single Investment Fund which will fund the programme for three years.
- 5.38 A summary of the scheme's business case is included in **Appendix 3**.

### **Tackling the Climate Emergency Implications**

- 5.39 The process for identifying programmes to be included in the pipeline will include assessing their impact on tackling the climate emergency. This will be a key consideration in the prioritisation process.

### **Outputs, Benefits, and Inclusive Growth Implications**

- 5.40 The scheme outputs and benefits include:
- Development of a pipeline of programmes, projects, and activities to support business growth and support future funding bids.
  - Improved knowledge and understanding on how to support local businesses, especially social enterprises, cooperatives, and other types of business the Combined Authority has not worked with before.
  - Pilot testing of prospective pipeline programmes, to gain understanding of what works and any associated risks and mitigations.
  - The delivery of the pipeline programmes, itself is expected to contribute to the following West Yorkshire Investment Strategy (WYIS) outcomes directly:
    - Good Work through more inclusive employment environments and interventions
    - Resilient supply chains
    - Innovation as a key route through recovery

- Increasing the size of the West Yorkshire business base relative to population
- Improving skills and boost employment and productivity in growth sectors.

### **Equality and Diversity Implications**

5.41 An Equality Impact Assessment (EQIA) has been undertaken for the project and equality and diversity impacts taken account of as part of the development of the project and the business case development. As the pipeline develops, equality and diversity impacts will be further taken account of.

### **Risks**

5.42 The scheme risks include:

- Risk of insufficient staff to deliver programme, mitigated by recruiting two new posts which will be supported by existing staff in Business, Innovation and Skills Policy Team and Business Support Team.
- Risk of not being able to recruit staff with the required level of experience and expertise, mitigated by applying learning from recent recruitment of similar posts and using networks including partner councils and social media to widely advertise the roles.

### **Costs**

5.43 The scheme costs are £500,000 which will be solely funded by the Combined Authority from the Single Investment Fund.

5.44 The Combined Authority gave indicative approval on 24 June 2021, for up to £500,000 from the Single Investment Fund to support scheme development relating to business support.

5.45 This will fund the development of the programme pipeline only. Additional funding will need to be secured to deliver any new programmes identified.

### **Assurance Pathway and Approval Route**

<b>Assurance pathway</b>	<b>Approval route</b>	<b>Forecast approval date</b>
2 (strategic outline case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance, Resources and Corporate Committee	03/11/2021
4 (full business case)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Finance, Resources and Corporate Committee	03/11/2021

5 (delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	24/01/2022
6 (financial closure)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	20/01/2025
7 (evaluation)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	20/01/2026

### Other Key Timescales

- 5.46 Recruitment of two new Combined Authority staff – January 2022
- 5.47 Scheme closure – January 2025

### Assurance Tolerances

<b>Assurance tolerances</b>
That the Combined Authority costs remains within the costs identified within this report.
That the Delivery (DP5) timescales remain within 3 months of those outlined in this report.

### Appraisal Summary

- 5.48 The scheme presents a strong strategic case, supporting the Mayoral pledge to “Support local businesses and be champion for our regional economy”. The scheme also supports the 2021 West Yorkshire Economic Recovery Plan, has links to the West Yorkshire Investment Strategy (WYIS) priorities including “Good Jobs and Resilient Businesses (including entrepreneurialism) and supports the Strategic Economic Framework (SEF) priorities of Boosting Productivity, Enabling Inclusive Growth and Securing Money and Powers and has strong alignment with the Government’s Plan for Growth.
- 5.49 Development of the pipeline will draw extensively on the Combined Authority’s existing engagement with businesses about their support needs.
- 5.50 The procurement strategy will be developed later in the scheme when the new Programme Development Lead is in post.
- 5.51 The financial case has demonstrated affordability. A value for money position has not been calculated for this scheme, but value for money will be established by benchmarking the costs of projects and initiatives against previous schemes and with partners.

- 5.52 The scheme has an established governance structure, using the Mayoral Combined Authority (MCA) Board for oversight, with the Business, Economy and Innovation Committee taking responsibility for monitoring the progression of the scheme.
- 5.53 A Strategic Outline Case has been submitted but it is recommended that the scheme progresses through decision point 2 and decision point 4 and goes direct to activity 5 (delivery).
- 5.54 The Combined Authority delegated decision point 2 approval to the Finance, Resources and Corporate Committee, alongside the indicative funding, in June 2021.

### **Recommendations**

- 5.55 The Finance Resources and Corporate Committee approves that:
- (i) The Business Development Fund scheme proceeds through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) with Approval to Proceed to activity 5 (Delivery).
  - (ii) Approval to the Combined Authority's contribution of £500,000. The total scheme value is £500,000.
- (i) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Business, Economy, and Innovation Committee. This will be subject to the scheme remaining within the tolerances outline in the report.

### **Projects in Stage 2: Scheme Development**

- 5.56 There are no schemes requiring consideration at this assurance stage.

### **Projects in Stage 3: Delivery and Evaluation**

- 5.57 There are no schemes requiring consideration at this assurance stage.

## **6 Tackling the Climate Emergency Implications**

- 6.1 The Climate Emergency implications have been considered on all projects included in this report as part of their business case development.

## **7 Inclusive Growth Implications**

- 7.1 The inclusive growth implications have been considered on all projects included in this report as part of their business case development.

## **8 Equality and Diversity Implications**

- 8.1 Equality Impact Assessments (EQIA) have been undertaken on all projects included in this report as part of their business case development.

## **9 Financial Implications**

- 9.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

## **10 Legal implications**

- 10.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

## **11 Staffing implications**

- 11.1 A combination of Combined Authority and local Partner Council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

## **12 External consultees**

- 12.1 Where applicable scheme promoters have been consulted on the content of this report.

## **13 Recommendations (Summary)**

### **Fair Work Charter**

The Finance, Resources and Corporate Committee approves that:

- (i) The Fair Work Charter scheme proceeds through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) with Approval to Proceed to activity 5 (delivery).
- (ii) Approval to the Combined Authority's contribution of £600,000. The total scheme value is £600,000.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Business, Economy, and Innovation Committee. This will be subject to the scheme remaining within the tolerances outline in the report.

### **Supporting Local Business Pledge Development Programme**

13.2 The Finance, Resources and Corporate Committee approves that:

- (i) The Business Development Fund scheme proceeds through decision point 2 (Strategic Outline Case) and decision point 4 (Full Business Case) with Approval to Proceed to activity 5 (Delivery).
- (ii) Approval to the Combined Authority's contribution of £500,000. The total scheme value is £500,000.

- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this report and where required, any change requests are delegated to the Business, Economy, and Innovation Committee. This will be subject to the scheme remaining within the tolerances outline in the report.

## **14 Background Documents**

14.1 None as part of this report.

## **15 Appendices**

**Appendix 1** – Background to the Combined Authority’s Assurance Framework

**Appendix 2** – Fair Work Charter - Business Case Summary

**Appendix 3** - Supporting Local Business Pledge Development Programme–  
Business Case Summary