

Report to: West Yorkshire Combined Authority

Date: 23 June 2022

Subject: **West Yorkshire Investment Strategy Review**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" 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

1. Purpose of this report

- 1.1 For the Combined Authority to endorse the revisions made to the West Yorkshire Investment Strategy through the annual review process, attached at **Appendix 1**.
- 1.2 This paper is concerned only with the Investment Strategy. It is not seeking funding approvals for any individual projects.

2. Information

- 2.1 In March 2020 West Yorkshire Leaders and Government signed a 'minded to' devolution deal for West Yorkshire, which set out a raft of new powers and funding, including the requirement for the Combined Authority to create a Single Investment Fund (SIF).
- 2.2 At the Combined Authority in July 2020, the high-level operating principles of the SIF were agreed. It was also agreed that the SIF should be outcome focussed, with local decision making clearly guided by the overarching Strategic Economic Framework.
- 2.3 Further development was then undertaken and at the Combined Authority in March 2021, the Combined Authority approved the approach to the SIF and the outline design of the West Yorkshire Investment Strategy (WYIS).

- 2.4 In June 2021, following the election of the Mayor, the Combined Authority approved the West Yorkshire Investment Strategy. The Investment Strategy sets out the Combined Authority’s Investment Priorities. It builds on policies and strategies agreed as part of the Strategic Economic Framework. The strategy and investment priorities are set out over an initial investment period covering the period 1 April 2021 to 31 March 2024.
- 2.5 At the time it was agreed that the strategy would focus on economic recovery and resilience, including good jobs and skills, tackling the climate emergency, accelerating infrastructure, improving connectivity and supporting the cultural and creative sector – all with the overarching aim of developing an inclusive economy which benefits everyone, taking in to account the Mayor’s pledges. Within the strategy is a commitment to undertake an annual review to ensure the Strategy reflects the current needs and opportunities. This is the first review since the Strategy was approved.

The WYIS Investment Priorities

- 2.6 The WYIS Investment Priorities is framed across six areas. In each, a number of priority project/programme areas are identified that are the focus for intervention over the next three years. Approved at the June 2021 Combined Authority meeting, the Investment Priorities have been developed with a focus on supporting inclusive growth, tackling the climate emergency and reducing inequalities and take account of the Mayor’s pledges.

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

- 2.7 These investment priorities are multi-dimensional and may be applied in combination. There is an expectation that any investment will need to substantially reduce carbon or are able to be offset by carbon mitigation at programme level, in line with the target of achieving a net zero carbon economy by 2038.

West Yorkshire Investment Strategy Annual Review

- 2.8 The WYIS sets out a commitment to undertake an annual review, which aims to take into account changing local and national circumstances, integrate new funding and investment opportunities and determine the best use of resources available to the region to maximise potential.
- 2.9 The economic situation in West Yorkshire has changed since the first WYIS was approved in June 2021. The fallout from the COVID-19 pandemic has not been as pronounced with the overall economic recovery in the UK being strong and growing above pre-pandemic size in November 2021. In addition, following the election of the Mayor further work has been undertaken to develop a Cultural Framework for the region over the last 12 months. The recent announcement of Bradford being designated the UK City of Culture 2025 also provides an opportunity to better reflect the contribution that culture and sport make to the region.
- 2.10 The following revisions have been made to the WYIS through a consultative process between the Combined Authority, West Yorkshire council partners, and a selection of other key stakeholders:

Investment Priority Review

- 2.11 **Investment Priority 1** has been revised to take into account the current economic situation in order to build resilience across strategic sectors and supply chains, this includes addressing the rise in energy costs and increased inflation. Revisions have also been made respectively to the outcomes, outputs and results as required.
- 2.12 **Investment Priority 2** has been revised to take into account priorities such as the emerging Digital Skills Plan and the Green Jobs Taskforce, as well as supporting the under and unemployed back to work. Revisions have also been made respectively to the outcomes, outputs and results as required.
- 2.13 **Investment Priority 3** has been revised to ensure that relevant aspects of the new Police and Crime Plan are reflected within the WYIS with regard to investing in safe and resilient places. Revisions have also been made respectively to the outcomes, outputs and results as required.
- 2.14 **Investment Priority 4** has been revised to better reflect the priorities of the newly published West Yorkshire Climate and Environment Plan. This has also led to a number of other related updates to better reflect the relationship between this plan and the declared Climate Emergency. Revisions have also been made respectively to the outcomes, outputs and results as required.
- 2.15 **Investment Priority 5** has been renamed from 'Future Transport' to 'Delivering sustainable, inclusive and affordable Transport'. This is to better align the Investment Priority with the newly agreed Corporate Priorities of the Combined Authority and to make more explicit the objectives of a future transport network.

2.16 **Investment Priority 6** has been renamed from ‘Culture and Creative Industries’ to ‘Culture, Creative Industries, Sport and Physical Activities’. This is to reflect the renewed focus on sport, health and well being as part of the emerging Cultural Framework including the Years of Culture (e.g. Bradford 2023 and Wakefield 2024), and the Mayor’s Creative New Deal. Revisions have also been made respectively to the outcomes, outputs and results as required.

2.17 In summary the Investment Priorities are now:

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:	Delivering sustainable, inclusive and affordable Transport
Investment Priority 6:	Culture and Creative Industries, Sport and Physical Activities

Cross Cutting Themes

2.18 Both the cross-cutting themes of *Tackling the Climate Emergency* and *Tackling Inequalities* have been revised as follows:

- Tackling the Climate Emergency has been revised to provide a greater focus on the West Yorkshire target to be net-zero carbon by 2038, and the need for schemes to contribute to this ambition.
- Tackling Inequality has been revised in line with the Combined Authority’s Equality, Diversity and Inclusion vision, including to ensure that all schemes passing through the Assurance Framework have undertaken Equality Impact Assessments.

Assurance Framework

2.19 Appendix 2, the Assurance Framework diagram has been updated to align with the updated West Yorkshire Assurance Framework 2022.

Prioritisation Framework and Gateway Assessment

- 2.20 The Prioritisation Framework criteria for Activity 1 of the Assurance Framework has been revised along with the Gateway Assessment Matrix, with revisions made to the criteria for:
- Addressing the Climate Emergency: to demonstrate compatibility with the West Yorkshire Carbon Emissions Reduction Pathways and to ensure that assessments are undertaken using the Combined Authority's Carbon Impact Assessment tool.
 - Tackling Inequalities and supporting Diversity: to ensure that projects demonstrate that they proactively address the needs of disadvantaged groups.
- 2.21 The Gateway assessment matrix has been revised in line with the changes to the Prioritisation Framework outlined above, which has resulted in the scoring and weighting being updated accordingly.
- 2.22 The review of the WYIS has resulted in a document which better reflects the post-COVID economic landscape and will ensure that the region continues to take advantage of opportunities presented whilst ensuring that we are delivering on our priorities for West Yorkshire.

3. Tackling the Climate Emergency Implications

- 3.1 Tackling the Climate Emergency is at the heart of the objectives for the WYIS and tackling the climate emergency is a key investment priority. Decision making in respect of climate change has been further strengthened through the development of the carbon impact assessment tool. This will strengthen how clean growth and climate change impacts are considered as part of all schemes that come through the Assurance Framework.
- 3.2 Tackling the Climate Emergency, 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 Climate Emergency priority and evidence that they will reduce carbon emission (both directly and indirectly).

4. Inclusive Growth Implications

- 4.1 Inclusive growth is core within the Investment Priorities to ensure everyone benefits from the investments made across the region. In addition the Inclusive Growth Framework forms a core part of the Strategic Economic Framework which guides the priorities of the WYIS.

5. Equality and Diversity Implications

- 5.1 Reducing inequality is a cross cutting theme within the Investment Priorities of the WYIS to ensure that investments made across the region support equality and diversity. It is expected that Equality Impact Assessments will be undertaken as part of scheme development to ensure that at schemes

progress through the WYIS and Assurance Framework equality, diversity and inclusion is given due regard.

6. Financial Implications

- 6.1 The Investment Strategy sets out the Combined Authority's prioritisation approach to capital and revenue projects/programmes, led by strategic outcomes rather than by specific funding streams. Financial reporting and monitoring will be re-shaped around this opportunity.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Combined Authority approves the revisions to the West Yorkshire Investment Strategy.

11. Background Documents

- The previous June 2021 paper can be found [here](#).
- The previously agreed West Yorkshire Investment Strategy can be found [here](#)
- The West Yorkshire Devolution Deal March 2020 can be found [here](#)

12. Appendices

Appendix 1 – Revised West Yorkshire Investment Strategy.