



ASSURANCE FRAMEWORK

Version: 1.4

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Executive Summary

This Assurance Framework covers capital and significant revenue expenditure funded by Government or local sources, and invested by WYCA in projects and programmes, including all Government funding received by the Leeds City Region (LCR) LEP, via WYCA as the LCR LEP's accountable body.

The purpose of this Assurance Framework is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of SEP outcomes. Its focus is to ensure that necessary practices and standards are implemented to provide WYCA, Government and local partners with sufficient assurance that decisions over funding (and the means by they these decisions are implemented) are proper, transparent and deliver value for money.

The document is set out as follows:

- background, scope and purpose of the Assurance Framework, strategic priorities and WYCA's role as accountable body for the LCR LEP (**Section 1**);
- governance and key decision-making, including how transparency and accountable decision making is promoted and delivered (**Section 2**);
- processes used to prioritise (**Section 3**);
- the Assurance Process around project and programme delivery, including our approach to ensuring value for money (**Section 4**); and
- approach to monitoring and evaluation (**Section 5**).

The review of the Assurance Framework in 2017 incorporated a new set of requirements, and a number of substantial changes as a result of a revision to the 2014 'Local Enterprise Partnership National Assurance Framework' guidance, which was published in October 2016. This review of the Assurance Framework for 2018 contains a number of comparatively minimal changes, which are summarised as follows in the table below:

Section 1 – Introduction (page 6 onwards)
<ul style="list-style-type: none">• Inclusion of maps of Leeds City Region and West Yorkshire Combined Authority geographies (page 6); and• Text on inclusive growth and the Inclusive Industrial Strategy added (page 10).
Section 2 – Governance and Decision-Making Arrangements (page 14 onwards)
<ul style="list-style-type: none">• Changes to LEP panels becoming advisory committees to WYCA from 1 September 2017 updated (page 13);• Proposed changes to LEP constitutional arrangements included – to be agreed in January 2018 (pages 20 & 21, and Appendix 1 of the Assurance framework).
Section 3 – Approach to Prioritisation (page 24 onwards)
<ul style="list-style-type: none">• Inclusion of a flow diagram to demonstrate guiding principles for the identification of schemes (page 24);
Section 4 – Assurance Around Programme & Project Delivery (page 27 onwards)
<ul style="list-style-type: none">• Revised Assurance Process included – seven activities and seven decision points, instead of the original eight. It has been updated to reflect that benefits realisation will commence during scheme delivery and will continue through scheme completion and beyond, rather than a separate activity at the end of the process (reference throughout the chapter);• New flow diagram showing how a scheme promoter progresses through the Assurance Process (page 29);• Approval Pathway streamlined – decision point five no longer a key decision point (pages 27 & 39);• Case Officer role – updated text to reflect re-scoping and development of the role over the past year (reference throughout the chapter); and• More detailed narrative on approval pathways (page 38 & 39).

Section 5 – Monitoring and Benefits Realisation (page 42 onwards)
<ul style="list-style-type: none"> • Monitoring & Evaluation now more focussed on Benefits Realisation (page 43); • Information on Stage 3 of the Assurance Process (pages 42 & 43); • Further information on risk management – both corporate and project level (page 44).
Appendices of the Assurance Framework
<ul style="list-style-type: none"> • Appendix 1 – updated to include both WYCA and LEP roles; • Appendix 2 – minor text changes to Assurance Process principle for ESIF SUD purposes; and • Appendix 3 – new Terms of reference for the PAT.
Glossary
<ul style="list-style-type: none"> • Updated to include new terms, and provide a short description of each item.

A number of further minor amendments have also been made.

The recent ‘Review of Local Enterprise Partnership Governance & Transparency’ in October 2017 has made a number of recommendations to be addressed by the National Assurance Framework. Many of these recommendations are already in place or have been addressed within our processes and are included in this updated Assurance Framework. Further changes to our processes and Assurance Framework may be made once a revised National Assurance Framework and updated guidance has been issued by Government.

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1. INTRODUCTION

1.1 Background

The Leeds City Region (LCR) spans 10 local authority areas: Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York. Leeds City Region local authorities- the above 10 areas plus North Yorkshire County Council- have been at the forefront of partnership working since 2004, building robust, transparent and accountable governance for over a decade. The LCR brings together the private and public sectors from across the City Region to provide strategic leadership in driving economic growth and competitiveness.



The LCR is strongly committed to putting in place stable, accountable and transparent decision making. Critical to this is a strong private sector-led Leeds City Region Local Enterprise Partnership (LEP) underpinned by the West Yorkshire Combined Authority (WYCA). As part of the City Deal, local partners agreed to the creation of a West Yorkshire Combined Authority (WYCA).

The West Yorkshire Combined Authority (WYCA) is a local authority that was established on 1st April 2014 to work alongside the LCR LEP in relation to devolved local growth funding and responsibilities. It is also responsible for transport functions across West Yorkshire. The area of WYCA is that of its five constituent Councils, the West Yorkshire authorities of Bradford, Calderdale, Kirklees, Leeds and Wakefield.¹



¹ By the West Yorkshire Combined Authority Order 2014

WYCA is the Accountable Body with regards to the LCR Growth Deal funding (further details listed in section 1.5), whilst the LEP is responsible for setting strategic direction and will hold partners to account in the delivery of our Strategic Economic Plan (SEP) (further details listed in section 1.4).

1.2 Scope of the Assurance Framework

This Assurance Framework covers capital and significant revenue expenditure funded by Government or local sources, and invested by WYCA in projects and programmes, including all Government funding received by the LCR LEP, via WYCA as the LCR LEP's accountable body.

It therefore covers the funding received by WYCA as accountable body in respect of the Local Growth Fund², the Integrated Transport Block and a number of other funding streams.

The rest of this Assurance Framework sets out arrangements adopted by the LCR in relation to:

- governance and key decision-making, including how transparency and accountable decision making is promoted and delivered (**Section 2**);
- processes used to prioritise (**Section 3**);
- the Assurance Process around project and programme delivery, including our approach to ensuring value for money (**Section 4**); and
- approach to monitoring and evaluation (**Section 5**).

For transparency, the Assurance Framework is published on the LCR LEP and WYCA websites, together with supporting information.

1.3 Purpose of the Assurance Framework

LEPs in receipt of a 'Local Growth Fund' as part of their devolution Growth Deal agreement with Government are required to have an Assurance Framework that explains how they:

- appraise projects and allocate funding;
- demonstrate appropriate levels of transparency in the way they operate; and
- monitor and evaluate projects to ensure that they achieve value for money and projected outcomes.

This document details how the LCR LEP and WYCA comply with this requirement and it also covers expenditure on funds that are not received under the Local Growth Fund.

The Assurance Framework is one element of the Government's wider assurance systems. The Accountability System Statements for both Local Government and the Local Growth Fund (LGF) set out other key mechanisms in relation to LCR funding which include:

² Note the following variations:

- EU regulations mean that government departments have key decision-making authority as 'managing authorities' of the European Structural and Investment Funds (ESIF), and the key local input into appraisal is via assessment of strategic fit and value for money;
- The Transport Fund is subject of periodic independent appraisal as part of an agreement to enable the WYCA to draw down the entire £600m announced in the Growth Deal in July 2014. Eligible Local Authorities which form the fund are Bradford, Calderdale, Kirklees, Leeds, Wakefield and York; and
- Well-established, highly-regarded (by applicants and government alike) and effective governance procedures for existing programmes under LEP control such as the Business Growth Programme and Growing Places Fund. The principles of the Assurance Process will continue to be applied in appraising companies' applications for these funds, but we intend to retain the existing governance procedures, subject to regular review and evaluation of their effectiveness.

- regular reporting to the government against agreed output metrics;
- an evaluation framework; and
- annual performance conversations between the government and city regions.

The purpose of this Assurance Framework is to ensure that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of SEP outcomes. Its focus is to ensure that necessary practices and standards are implemented to provide WYCA, Government and local partners with sufficient assurance that decisions over funding (and the means by they these decisions are implemented) are proper, transparent and deliver value for money. The Framework complies with the standards set out in the National Assurance Framework issued by Government in November 2016.

The Assurance Framework is a key mechanism to ensure that we have robust systems and processes in place to support the developing confidence in delegating funding from Government to the LCR.

We view the Assurance Framework as an essential part of good practice and of our development as a mature partnership that can increasingly be trusted by the public and by government to take its own investment decisions. The degree of flexibility in the LCR Growth Deal demonstrates that the LCR is one of those most trusted by Government, and we intend that this Framework keeps us at the leading edge in our approach to governance and appraisal.

LCR is committed to achieving diversity and equality of opportunity both as a partnership and as a commissioner of services. The LCR LEP promotes equality of opportunity and does all it can to ensure that no member of the public, service user, contractor or staff member working within a partner organisation will be unlawfully discriminated against. Our Diversity Policy and Statement can be found [here](#).

1.4 Strategic Framework for Investment

Government allocated the competitive element of Growth Deal funding to LEPs on the strength of multi-year Strategic Economic Plans (SEPs) submitted by LEPs to Government.

The SEP for the Leeds City Region provides the basis for investment decisions alongside the delivery of statutory requirements, conditions of funding and other local transport objectives.

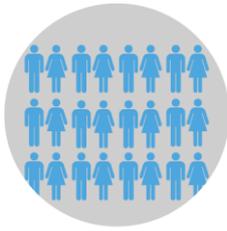
The SEP for the Leeds City Region, now revised to cover the period 2016-2036, sets out the LCR LEP's vision and key economic funding priorities for the LCR. The LCR LEP is responsible for developing and maintaining the SEP, and deciding the key funding priorities. The LCR LEP is also responsible for ensuring there is adequate capacity and expertise to deliver the key priorities.

WYCA has endorsed the SEP as its own economic strategy. The SEP underpins the decision-making of both the LEP and WYCA, so in this respect they work seamlessly.

The LCR LEP Vision is: **“to be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone”**.

Our ambition:

The SEP's ambition is to deliver 36,000 extra jobs and £3.7 billion of economic output by 2036, on top of the business as usual growth that is expected over that period.



35,700
ADDITIONAL NET JOBS
CREATED BY 2036



£3.7 BILLION
ADDITIONAL ANNUAL
ECONOMIC OUTPUT BY 2036



A NEAR
£100 BILLION
CITY REGION ECONOMY BY 2036

Our priorities are:

PRIORITY 1
GROWING
BUSINESS

PRIORITY 2
SKILLED PEOPLE,
BETTER JOBS

PRIORITY 3
CLEAN ENERGY AND
ENVIRONMENTAL
RESILIENCE

PRIORITY 4
INFRASTRUCTURE
FOR GROWTH

A number of the challenges identified in our 2014 SEP remain, notably the imperatives to raise exports, innovation, productivity and skills, and the need to underpin growth with better physical and digital infrastructure.

What was less well recognised at the time our first SEP was completed, was the scale of the challenge to ensure that the opportunities and benefits of economic recovery are spread across all communities. We will tackle this by applying the principle of **good growth** to all that we do, in order to provide better jobs, good quality homes for all and a great environment for all our residents.



The €396m Leeds City Region European Structural and Investment Funds (ESIF) Strategy for 2014-20 is also aligned with the SEP.

The SEP is currently undergoing a refresh, primarily to reflect the needs and requirements of inclusive growth, as well as good growth. Committing to a programme of inclusive growth across the Leeds City Region will create better, more secure jobs that provide people with a real pathway to an improved quality of life. The new Local Inclusive Industrial Strategy for Leeds City Region will be an agile, long term framework aimed at driving growth, boosting productivity and earning power for a post 2030 economy.

1.5 WYCA's role as an accountable body

WYCA and the LCR LEP must comply with the conditions or requirements attached to any funding received from Government.

WYCA is responsible to Government for complying with any conditions or requirements attached to funding directly allocated to WYCA, to be used to carry out its functions across West Yorkshire.

Following the Growth Deal agreed by the LCR LEP and Government, LCR LEP has a decision-making role in relation to Local Growth Fund grant payments made by Government in respect of the Leeds City Region. However, the LCR LEP is an unincorporated voluntary partnership, and as such cannot be held legally accountable for complying with grant conditions or requirements. Therefore, WYCA, (which is a corporate body), acts as the accountable body for funding allocated to the LCR LEP for LCR.

In practice, this means that LCR LEP funding is held and spent by WYCA on behalf of the LEP. In short, WYCA is the vehicle through which the SEP is implemented, as well as being the statutory, publicly accountable, decision-making body.

As accountable body, WYCA must ensure:

- all funding is used in accordance with grant requirements and conditions;
- that funding is not used ahead of approvals, or for unapproved purposes;
- the Assurance Framework is adhered to (withholding funds if the Assurance Framework is not adhered to or places undue financial risk on WYCA);
- all applicable legal requirements are complied with (including relating to State Aid, public procurement) and ensuring records are maintained so that this can be evidenced;
- local audit arrangements for funding allocated by the LCR LEP are at least equivalent to those in place for WYCA spend;
- it fulfils its Public Sector Equality Duty, when apportioning Local Growth Funding;
- principles preventing public expenditure being incurred in retaining the services of lobbyists are adhered to;
- the release of funds to scheme promoters is in line with approvals;
- that it prepares appropriate Financial Statements as required; and
- that it maintains the official record of LCR proceedings and holds all documents relating to the LGF and other funding sources.

WYCA is responsible for LCR decisions to approve expenditure, including the final approval of projects. WYCA may only approve decisions where it is satisfied that a decision complies with all relevant requirements including those set out in this Assurance Framework. In the event that WYCA as accountable body is not able to endorse a decision of the LCR LEP, the matter would be referred back to the LCR LEP for re-consideration.

All investment decisions by WYCA and the LEP will be made by reference to:

- the SEP (and Local Inclusive Industrial Strategy);
- statutory requirements;
- any grant conditions attached to funding; and

- local transport objectives.

A summary of decision making responsibility is given in Table 1.1.

Table 1.1: Overview of Decision-Making Responsibility

Function	Role of WYCA MD / WYCA Statutory Officers	Role of WYCA ³	Role of the LEP
Setting LCR -level economic strategies e.g. SEP	Officer support / provision of advice	Endorsement	Strategic Leadership / Private Sector input
Strategic transport decisions including transport strategies	Officer support / provision of advice	Decision-making body	Receive items for information / comment
Operational transport decisions	Officer support / provision of advice	Decision-making body	Receive items for information / comment
Skills e.g. Skills Capital	Officer support / provision of advice	Decision-making body	Strategic Leadership
Integrated Infrastructure strategy	Officer support / provision of advice	Decision-making body	Strategic Leadership
Enterprise Zone Activities	Officer support / provision of advice	Decision-making body	Strategic Leadership
Growth Service (Business support / inward investment)	Officer support / provision of advice	Decision-making body	Strategic Leadership
European Structural and Investment Funds (ESIF) - SUD	Officer support / provision of advice	Decision-making body	Strategic Leadership

1.6 How Growth Priorities are supported by Collaboration and Joint Delivery

WYCA works collaboratively with a range of partners. Some examples of this are provided below.

The LEP delivery of **Skills Capital** allows for greater coherence and understanding in the way that Further Education providers across LCR are aligning curriculum offers to reflect the skills requirements set out in the LCR SEP and Skills Strategy. The Employment & Skills Panel review conditions for the grant programme to address gaps in skills provision and to hold an overview of future revenue allocations. Collaboration with partners supports the understanding of employment opportunities in the region to maximise GVA. It encourages improved collaboration between colleges and employers so that new curriculum is more aligned to employer needs.

LEP Growth Service is a ‘hub and spoke’ collaboration with Local Authorities, universities and private sector business support organisations.

³ Where WYCA is the decision-making body, this includes its role as accountable body. Some decisions may be delegated by WYCA to committees or officers

The WYCA **Transport Strategy and policy teams** working closely with District partners, Network Rail and Highways England, operate and run a strategic Land-Use Transport Interaction (LUTI) model which can forecast evidence to support the impacts on investment priorities on employment, housing and GVA. These models are also used to test investment projects and programmes to help sift into priorities and inform their strategic businesses cases. They are particularly helpful in understanding cross-boundary implications of investment and transport policies.

The **Growth Funded Housing and Regeneration Programme** is developed jointly with public sector partners. Proposals are put forward by either Local Authorities or organisations working closely with WYCA's strategic partners. These proposals are developed into business cases through close collaboration with WYCA and in some cases joint due diligence with other agencies. In many instances projects may have multiple funding streams, with some of these coming from the public sector. When this occurs, a joint approach towards delivery is developed whenever possible. The Land and Assets Panel (including representatives from Local Authorities, private sector representatives, the Homes and Communities Agency and the National Housing Federation) brings together organisations with a common interest in delivering infrastructure, homes and jobs and makes recommendations to ensure a strategic approach to the delivery of these outputs, especially where this involves the use of public sector assets.

1.7 Links between the LCR LEP and WYCA

There are a number of strong linkages between the LCR LEP and WYCA, notably:

- the SEP forms the basis of the work of both the LCR LEP and WYCA;
- WY council leaders are members of both WYCA and LEP Boards;
- the LEP Chair is a member of WYCA; and
- the Assurance Framework is adopted by both the LCR LEP and WYCA.

1.8 Reviewing, approving and publishing the Assurance Framework

It is important that we learn from experience, so the LCR LEP and WYCA review the Assurance Framework annually to ensure that it meets:

- the needs of local investors, all our partners and the wider public; and
- the standards set out in the National Assurance Framework.

For 2017/18 the review included input from WYCA's Overview and Scrutiny Committee.

The Assurance Framework was reviewed by the LEP Board on 16 January 2018 and by WYCA on 1 February 2018.

The Assurance Framework is a 'live' document, and it is envisaged that the document will be subject to further revision and update to ensure that it remains fit for purpose. For transparency, the Assurance Framework is published on the LCR LEP and WYCA websites, together with supporting information.

The Assurance Framework is reviewed annually and signed off by the LEP Board, WYCA and the S73 Chief Finance Officer⁴, and a letter will be sent to DCLG from the S73 Officer confirming compliance to the Framework by 28th February every year.

⁴ This is WYCA's Director of Resources

A compliance checklist sits alongside the Assurance Framework document, which is used as a tool to monitor ongoing compliance. A structured review of the document, in particular around ancillary information such as web links, has been updated and embedded as part of this plan.

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2. GOVERNANCE AND DECISION-MAKING ARRANGEMENTS

2.1 Introduction

The principal decision-making bodies for the Leeds City Region are the LCR LEP and WYCA.

The LCR LEP is responsible for setting strategic direction and will hold partners to account in the delivery of our Strategic Economic Plan (SEP).

WYCA is the accountable body for funding allocated to the LCR LEP. It is the vehicle through which the SEP is implemented, as well as being the statutory, publicly accountable, decision-making body.

This section focuses on how WYCA makes its investment decisions about projects and programmes, both in its capacity as accountable body for the LCR LEP and in its own right in relation to funding for which the LCR LEP is not responsible.

2.2 Overview

WYCA itself may make any investment decision at any of its formal meetings, and makes the key significant decisions in relation to any proposed investment (See Appendix 1 for further details). However, WYCA has also delegated its authority to make decisions in specified circumstances to the following:

Table 2.1: WYCA's delegated authority

Transport Committee	The committee has delegated authority to approve individual schemes within the Integrated Transport Block of the Capital Programme, up to a maximum cost of £3m. For schemes over £3m, approval is given by WYCA. The committee also oversees, and has strategic oversight of, public transport revenue expenditure funded by the West Yorkshire Transport Levy.
WYCA's Managing Director	The Managing Director's delegated authority is exercised to expedite and speed up the decision-making process, in accordance with the Assurance Framework and any bespoke pathway approved by WYCA, for example subject to the scheme staying within agreed tolerances.
WYCA's Director of Delivery	With the exception of any matter in respect of which a financial approval is required, the Managing Director has sub-delegated his authority to make any decision to progress a scheme in accordance with the Assurance Framework to the Director of Delivery.
Executive Head of Economic Services	Approves Business Grants of up to £100k, under the sub-delegation of the Managing Director. Approves inwards investment grants of £10-£50K, under delegation of the Managing Director. WYCA's Heads of Service are able to approve grant awards of under £25K for both Business Grants and Inward Investment Grants, under the same delegation.

There are a number of advisory committees and sub-committees to advise WYCA in respect of investment decisions. The principal committees relating to the investment process are as follows:

Table 2.2: WYCA advisory committee's

West Yorkshire & York	Provides WYCA with advice in relation to economic development and transport-led regeneration, including proposed funding decisions, delivery arrangements, the Assurance Process of schemes, liaison with the Transport Committee to
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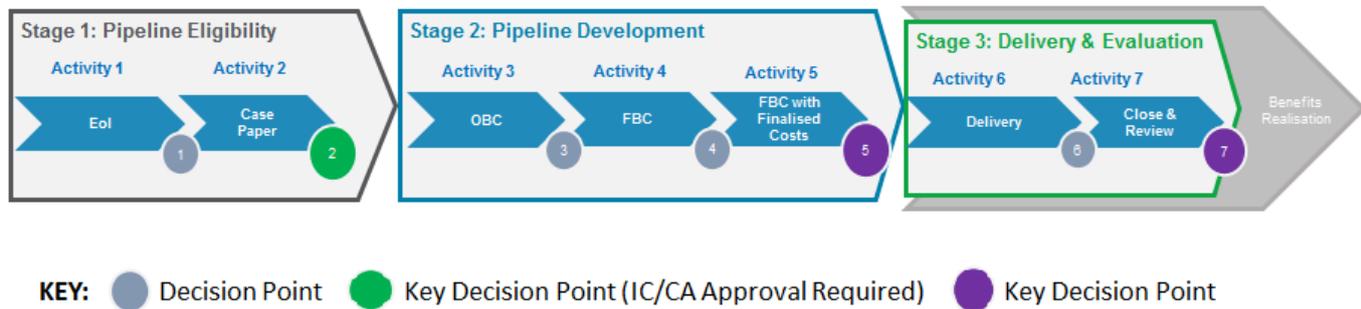
Investment Committee	promote the strategic alignment of regional transport funding, and advice to the WYCA about any other key issues that affect the discharge of these functions.
Business Investment Panel	A Sub-Committee of the Investment Committee, this panel has a key advisory role in the decision-making process, and constitutes a fundamental part of the assurance process for the appraisal of business grants and loans, in particular carrying out due diligence.
LCR Partnership Committee	Provides a forum to bring together representatives from all LCR Local Authorities, as not every LCR Local Authority is directly represented on the LCR LEP Board. Its purpose is to facilitate direct collective agreement with WYCA, the key local authority arrangement supporting the LEP, as its accountable body.
Business Innovation and Growth Panel	Made up of representatives from the private sector, universities, policy-makers and delivery partners, this ensures that our work is driven by the needs of business. It advises WYCA and the LCR LEP in relation to business growth, including business support, innovation, digital, trade, and inward investment.
Employment and Skills Panel	A panel that brings employers together with local authorities and skills providers. The panel advises WYCA and the LCR LEP in relation to projects to address skills gaps in the city region's key industry sectors, and create local leadership that drives improvements in skills and employment. Their work is driven by the needs of employers and the region's economy.
Green Economy Panel	This panel advises WYCA and the LCR LEP in relation to environmental sustainability and achieving a zero carbon economy in the LCR.
Land and Assets Panel	This panel advises the WYCA and the LCR LEP in relation to strategic land and asset management, housing growth, regeneration and place-making and any LCR enterprise zone.

These may also advise the Managing Director when he is making delegated investment decisions on behalf of WYCA. Delegated decisions by the Managing Director in relation to schemes progressing through the Assurance Process are taken following discussion by the Programme Appraisal Team (PAT) with a written report providing the appropriate level of information as to the Assurance Process outcomes, and recommendations that flow from that process and the Investment Committee. The Managing Director may also consult with WYCA's Leadership Team – the senior officers of WYCA.

The LEP Board brings together business and council leaders to oversee and make strategic decisions related to our Strategic Economic Plan. These Panels appointed as advisory committees to WYCA also report to the LEP Board. Please see Appendix 1 for further information.

Section 4.2 sets out in detail the Assurance Process Stages and Activities, as well as the Decision Points that take place at the end of each Activity.

Figure 2.1: Overview of the Assurance Process



Subject to agreed exceptions (such as small grant programmes, e.g. business growth grants and loans where alternative arrangements are in place), **all schemes will require approval from WYCA at Decision Point 2**, in order to proceed to Stage 2: Pipeline Development.

WYCA will also set a bespoke approval pathway to be followed at all subsequent Decision Points in the Assurance Process for each scheme – see further information in section 4.3.7. In setting the bespoke approval pathway, WYCA will take into account recommendations from the Investment Committee, who will have considered in detail the size/scale/sensitivity/risks (i.e. the tolerances) around each specific scheme.

Possible options available to Investment Committee in making their recommendation include:

- a scheme must be considered and gain the approval of WYCA at each Decision Point during its development; or
- a scheme’s approvals at subsequent Decision Points may be delegated to the Managing Director, provided that the project remains within scheme tolerances set at Decision Point 2; or
- a scheme’s approvals may be delegated to the Managing Director up to an identified Decision Point, at which point, the scheme should be referred back to the Investment Committee and/or WYCA for review and then WYCA for approval.

WYCA must take any investment decision which hasn’t been delegated to either the Transport Committee or the Managing Director, including those decisions where a scheme has fallen outside of the tolerances identified by WYCA.

Before taking any funding decision, a decision-maker needs to be satisfied that the WYCA Assurance Framework has been complied with. WYCA’s Programme Appraisal Team (PAT) has a key role in ensuring compliance with the Assurance Framework - see further Section 4.3.5 below.

Where any investment decision is taken by the Managing Director under delegated authority, such decisions are usually taken in consultation with WYCA’s Leadership Team, who are provided with evidence through supplied reports (Requests for Decision).

The Managing Director also has delegated authority to approve the terms of any Funding Agreement in respect of a scheme, which has previously been approved by WYCA or under delegated authority under Decision Point 5 (Final Costs and Legal Agreement approval).

The Managing Director reports their delegated decisions to the Investment Committee.

2.2.1 Growth Hub, Business Grants and Economic Development Loans

There are currently specific arrangements in place in relation to business grants and economic development loans. In addition, arrangements relating to the principles for ESIF Sustainable Urban Development (SUD) purposes are set out in Appendix 2.

Growth Hub	<p>The Growth Hub for LCR is funded directly from Business, Energy and Industrial Strategy (BEIS) via a two-year deal for 2016-17- 2017-18 to the value of £1,025,000. The ‘hub and spoke’ delivery model was approved by the LEP Board in 2015. The funding is used to resource the activity of the central hub team, and to co-fund the SME Growth Managers who operate within the city region’s Local Authority districts. The Growth Managers’ salaries are matched on a 50/50 basis by the Local Authorities who also employ them.</p> <p>Detailed progress on the Growth Hub project is reported on a quarterly basis to the BIG Panel, and on a 6-weekly basis to the main LEP Board by the BIG Panel Chair. There is also a private sector lead person on the BIG Panel for the Growth Hub, who run their own small businesses. The BIG Panel is currently responsible for reviewing whether the project’s output and expenditure targets are met, and for identifying and addressing risks and opportunities.</p> <p>In addition, detailed six-monthly reports and quarterly financial claims are sent to BEIS.</p>		
Business Grants	<p>The process for approving and awarding Business Grants funded from the Local Growth Fund (LGF) and the European Regional Development Fund (ERDF) has recently been reviewed to ensure closer alignment to the WYCA Assurance Framework and value for money. The following arrangements will be implemented from April 2018 onwards.</p>		
Business Grants Programme			
<p>Grants of £10-£50K are appraised and administered by officers at Leeds City Council (LCC) on behalf of WYCA. LCC make recommendations to WYCA on the appraised applications, with WYCE then making the final decisions on awards. All payments and legal agreements are administered by WYCA.</p>	<p>Grants of £50-100K are appraised and administered by WYCA. They are then considered by a panel of officers from the constituent authorities, which provides a recommendation to WYCA. WYCA also administers all payments and legal agreements for grant awards between £50 and £100K.</p>	<p>Grants of between £100K and £250K are appraised and administered by officers at WYCA, and then considered by the Business Investment Panel. This Panel makes recommendations on the applications to the WYCA MD, who has the delegated authority to make the final decisions.</p>	
<p>WYCA’s Executive Head of Economic Services, under sub-delegation from the Managing Director, approves all grant awards of between £10K and £100K, with relevant WYCA Heads of Service also being able to approve grant awards of under £25K via the same delegation.</p>			
Inward Investment Grants			
<p>Grants of £10-£50K are appraised internally by WYCA</p>	<p>Grants of £50-£250K are appraised by</p>	<p>Grants of >£250K are appraised by WYCA</p>	

	<p>officers; considered by senior officers, who provide a recommendation for approval by the Executive Head of Economic Services, or a WYCA Head of Service if the grant value is under £25K, under delegation from the WYCA MD.</p>	<p>WYCA officers and are considered by the Business Investment Panel, which provides a recommendation. Final Approval is provided by the WYCA MD under delegation from WYCA</p>	<p>officers and receive scrutiny from the WYCA Programme Appraisal Team (PAT), WYCA Investment Committee, WYCA and the Business Investment Panel, which provides a recommendation. Final approval is provided by the WYCA MD under delegation from WYCA.</p>
	<p>All grants appraised by LCC are approved by WYCA's Executive Head of Economic Services, or by a WYCA Head of Service if the grant value is under £25K, under delegation from the WYCA MD.</p>		
<p>Economic Development Loans and Grants</p>	<p>WYCA makes decisions about entering into the economic development loans or grants for the Growing Places Fund, following consideration of the recommendations made by the Business Investment Panel and the Investment Committee. WYCA approves projects and the loan or grant amount in principle and the Managing Director under his delegated authority finalises and approves the details, following appropriate due diligence and agreement on final terms by the Business Investment Panel.</p> <p>However, if approval on such applications cannot be sought from WYCA in a timely way, due to decisions being required in between scheduled meetings, the recommendations of the Investment Committee are circulated by email to WYCA Members for comment within a specified timeframe of 5 working days. If no objections are raised over this period then the Managing Director determines the application under delegated authority.</p> <p>If any WYCA Member raises an objection or issue in relation to an application, the Managing Director refers the application back to WYCA for further consideration.</p> <p>If a loan or grant application comes from the wider LCR area (Craven, Harrogate, Selby and Barnsley) then the LCR Partnership Committee is consulted. If recommendations cannot be sought from the LCR Partnership Committee in a timely way, individual members of the Committee are consulted by email with any resulting views and any recommendations being referred to WYCA, as the LCR Partnership Committee is not a decision-making body.</p> <p>The Managing Director reports decisions on loans and grants made under delegated authority, to subsequent WYCA meetings.</p>		

2.3 Transparency

WYCA and the LCR LEP are mindful of the need to build the trust and confidence of stakeholders and the public, in relation to our ability to take investment decisions. Promoting transparency in its decision-making is a key part of this.

WYCA by law must designate a **Monitoring Officer**, who is responsible for ensuring that decisions conform to the relevant legislation and regulation. This is WYCA's Head of Legal and Governance Services. A key part of this role is to ensure that the legal responsibilities of WYCA as accountable body, in relation to ensuring the transparency provisions are met, as set out below.

2.3.1 Meetings

Specific statutory requirements apply to WYCA in relation to transparency. The key provisions are:

- the public's rights to attend meetings and inspect documents of WYCA as set out in its Procedure Standing Orders;
- meetings of WYCA are live streamed, enabling the public to watch the meeting over the internet;
- notice of any up and coming key decision will be published on the WYCA website 28 days in advance of the decision;
- agendas and reports of meetings of WYCA and its committees are available to the public on its website, in accordance with its Procedure Rules, 5 clear days before a meeting [here](#);
- minutes of meetings are published on WYCA website;
- business case summaries of all projects/programmes coming forward for a decision are published on its website;
- key decisions taken by officers are published on WYCA website; and
- WYCA adheres to the Local Government Transparency Code which requires the publication of additional data.

The LEP Board also works to similar standards; the agenda, papers and minutes of LCR LEP Board Meetings are accessible from the LEP website, published on the WYCA website, as well as the SEP and information relating to progress on delivery of all programmes. Additionally, any meeting of the LCR LEP Board is open to the public except to the extent that the public are excluded under the LCR LEP Board's Procedure Rules.

2.3.2 Requests for Information

WYCA is subject to the Freedom of Information Act 2005 and the Environment Impact Regulations 2004, and will respond to statutory information requests in accordance with approved procedures. WYCA also deals with any requests for information from the LCR LEP, on its behalf, in accordance with the same procedures. Further information on WYCA's Freedom of Information Policy can be found [here](#).

2.3.3 Providing Information

An overview of all scheme business cases and evaluation reports are published on the WYCA website. A nominated point of contact is made available to receive public and stakeholder comments.

Summaries of business cases to be considered by Investment Committee as part of the Assurance Process (See Sections 3 and 4) are published electronically ahead of meetings to allow for external views to be sought. There are exceptions to this rule in respect of commercial confidentiality.

Regular programme progress reports are available on WYCA and LEP websites, including key funding decisions and monthly performance dashboards providing information on expenditure and output/outcome performance.

2.4 Use of Resources and Accounts

The use of resources by WYCA are subject to the usual Local Authority checks and balances, including the financial duties and rules which require councils to act prudently in spending. These are overseen by WYCA's S73 Chief Finance Officer, who is its Director of Resources. This post has statutory responsibility to administer WYCA financial affairs, and is responsible for ensuring that funding is used legally and appropriately.

WYCA has clear accounting processes in place to ensure that all funding sources are accounted for separately and that funds can only be used in accordance with WYCA decisions.

WYCA has a statutory duty to keep adequate accounting records and prepare a statement of accounts in respect of each financial year. This statement of accounts will be published (usually in June in draft and in September as fully audited, although this will change in accordance with legislative requirements), and will cover expenditure from the Local Growth Fund and other funding sources received from Government. A separate financial statement for LEP expenditure is planned for 2017/18.

WYCA will publish a public notice each year, setting out a specific period during which any person may inspect and make copies of the Authority's accounting records for the financial year.

During the same period, the local auditor must give a local government elector within West Yorkshire (or their representative) an opportunity to question the external auditor about the accounting records, and objections may be made to the auditor about any relevant item.

2.5 Audit

As a Local Authority, WYCA complies with statutory requirements relating to audit arrangements, principal elements of which are:

- appointing an **audit committee**;
- inspection by **external auditors**; and
- adopting **internal audit arrangements**.

These audit arrangements apply to LCR LEP funding in respect of which WYCA is the accountable body, in the same way as for other WYCA expenditure.

WYCA's Governance and Audit Committee fulfils the requirement to appoint an **audit committee**, and must by law include at least one independent person.

The role and responsibilities of this Committee include:

- reviewing and scrutinising WYCA's financial affairs;
- reviewing and assessing WYCA's risk management, internal control and corporate governance arrangements;
- reviewing and assessing the economy, efficiency and effectiveness with which resources have been used by WYCA;
- approving the review of internal controls and the annual governance statement;
- considering and approving the statement of accounts;
- considering external audit arrangements and reports; and
- advising WYCA in relation to the Assurance Framework.

Further details on the membership and meetings of this committee can be found [here](#).

An annual independent audit is conducted by **externally appointed auditors** ensuring WYCA operates a robust financial management and reporting framework, including reviewing whether WYCA meets its statutory obligations in relation to grant funding.

WYCA's **internal audit** function carries out independent and objective appraisals of relevant systems and processes, including ensuring that effective procedures are in place to investigate promptly any alleged fraud or irregularity.

WYCA's financial regulations set out further detail in relation to WYCA's audit arrangements (found [here](#)).

2.6 Scrutiny

WYCA is required by law to appoint an **Overview and Scrutiny Committee**. This committee is authorised to:

- review or scrutinise decisions made or other action taken in connection with functions of the Authority;
- make reports or recommendations to WYCA with respect to WYCA's functions and;
- receive and monitor responses to any reports or recommendations made.

The Committee may therefore scrutinise any decision of WYCA made in its role as accountable body for the LCR LEP. This provides an additional safeguard in relation to LCR LEP decision-making.

The independent element of this scrutiny is safeguarded by a requirement that membership of this Committee cannot include any member of WYCA. It comprises elected Members co-opted from its constituent and non-constituent councils. The Overview and Scrutiny Committee has been fully involved in the creation of this Assurance Framework, including signing off the version for publication at its meeting on 24 January 2018.

Further details on the membership and meetings of this Committee can be found [here](#).

2.7 Codes of Conduct

In relation to the LEP, all LCR LEP Board members are subject to a LCR LEP Board Members' [Code of Conduct](#), which reflects the Nolan Principles of public life:

- 1) Selflessness
- 2) Integrity
- 3) Objectivity
- 4) Accountability
- 5) Openness
- 6) Honesty
- 7) Leadership

The LCR LEP Board Code of Conduct also requires LEP Board members to declare and register:

Acceptance or receipt of an offer of a gift or hospitality; and

Specific pecuniary and non-pecuniary interests.

A register of the interests disclosed by LEP Board members is accessible from the LEP website and published on the WYCA website. The Code sets out comprehensive requirements in relation to declaring interests at meetings, and the circumstances in which a conflict of interest will preclude a LEP Board member from participating in decision-making.

At the beginning of each meeting, all members present are asked to declare any potential conflict of interest. These declarations are minuted.

The LCR LEP has also approved arrangements under which allegation that the Code of Conduct has been breached can be investigated and for making decisions on such allegations. These can be found [here](#).

In relation to WYCA, there are statutory provisions that require WYCA to adopt a Code of Conduct for its Members and voting co-opted Members, including those on Panels appointed by WYCA. The Code sets out the conduct expected of Members, including procedures for declaring and registering:

- acceptance or receipt of a gift or hospitality; and
- disclosable pecuniary interests, which are defined by the code.

The Code is publicly available [here](#).

Failing to comply with requirements for registering and disclosing pecuniary interest may be a criminal offence.

The register that records Members' interests is also publicly available on WYCA [website](#).

WYCA has also approved arrangements under which allegation that the Code has been breached can be investigated and for making decisions on such allegations. This can be found [here](#).

WYCA has also adopted a Code of Conduct for Officers, which includes procedures for registering personal and prejudicial interests. Officers also need to comply with a Gifts and Hospitality policy. Failure to comply with the Code may lead to disciplinary action.

2.8 Complaints and Whistleblowing

WYCA will consider any complaints received in accordance with its agreed complaints procedure, which can be found [here](#). Any complaints about the LCR LEP will be dealt with by WYCA in accordance with WYCA's complaints process.

WYCA has also adopted a [Whistleblowing policy](#), to investigate and resolve any case where it is alleged by stakeholders, members of the public or internal whistle-blowers that WYCA is acting in breach of the law, failing to adhere to the framework or failing to safeguard public funds. Should any allegations arise in relation to the LCR LEP, the same policy will apply.

The LCR LEP has also adopted a confidential complaints policy, which can be found [here](#).

2.9 WYCA Resources and Capabilities

WYCA has a scale of staff resource with the necessary key functions to enable it to:

- Manage the pipeline, including supporting business case development;
- Carry out programme and project appraisal;
- Co-ordinate and manage the decision process (e.g. time of meetings and associated paperwork); and
- Oversee the delivery, monitoring and evaluation of schemes (e.g. benefits realisation management, financial and resource management, risk).

WYCA draws on external expertise and technical support such as financial, economic, property, legal and evaluation advice, for example through consultancy frameworks or from partner organisations including the Home and Communities Agency, Local Authorities, Skills Funding Agency and others.

2.10 Local Engagement

Engagement with stakeholders and the wider public is regarded as a central part of the process to develop, monitor and implement the SEP, the Growth Deal and all other aspects of the work of the LCR LEP and WYCA.

The LCR LEP has established a Business Communications Group made up of representatives from key business organisations in the Leeds City Region. The group plays an active role in supporting business growth in the region by helping to coordinate effective communications between the LCR LEP and the business community. The group also acts as an advisory group to the LEP Board; consulting with their members on barriers to growth and ensuring businesses are at the heart of everything we do.

The group brings together 18 representative organisations and sector bodies in the region, collectively representing around 20,000 local companies, and provides a channel both for the business community to influence LCR LEP policy and delivery, and for the LCR LEP to communicate information to that membership base. The group has influenced the development of key LCR LEP products and services, including its recently launched skills service and the LCR LEP growth service. Local public sector and university partners are also heavily engaged in project design and implementation, with cross-sector working groups having been established to shape work on LCR LEP priorities including innovation, exports, inward investment, skills and apprenticeships and resource efficiency.

The LCR LEP also engages and communicates with partners through channels including social media, press releases, the LCR LEP website, events and a monthly eNews, which is distributed to around 33,000 businesses and stakeholders. Social media has been used particularly effectively for informal engagement of businesses and partners on policy and project development, and the LEP's "innovative use of social media for consultation and engagement" was highlighted in a 2014 report by IPPR North.

In any future work to develop the SEP, or any key strategies that underlie the overall Plan, we will take steps to ensure that these principles of open and inclusive engagement are maintained and enhanced.

2.11 Arrangements for cross-LEP working

There are a number of areas where the LCR LEP works closely and interfaces with neighbouring and other regional LEPs. These include:

- Yorkshire LEP meetings, which take place 4 times a year;
- Yorkshire LEPs also meet regularly to discuss approaches to business support and are part of the Northern Powerhouse Growth Hub Network;
- Yorkshire Hubs collaborated on the Northern Powerhouse Investment Fund, including regular meetings to determine contributions from their ESIF allocations;
- cross-LEP meetings sharing best practice around skills;
- as part of the LEP network, where wider best practice is shared;
- through Transport for the North, where there is a significant degree of cross-LEP collaboration, working down from the Partnership Board, through to officer working group meetings around Northern Powerhouse Rail, Strategic Transport Plan and Roads Strategy;
- core Cities forums, which take place 4 times a year, covering a wider spectrum of national policy issues; and
- LCR LEP is also invited to attend the Sheffield Combined Authority as an observer, given the close links between the two functional economies.

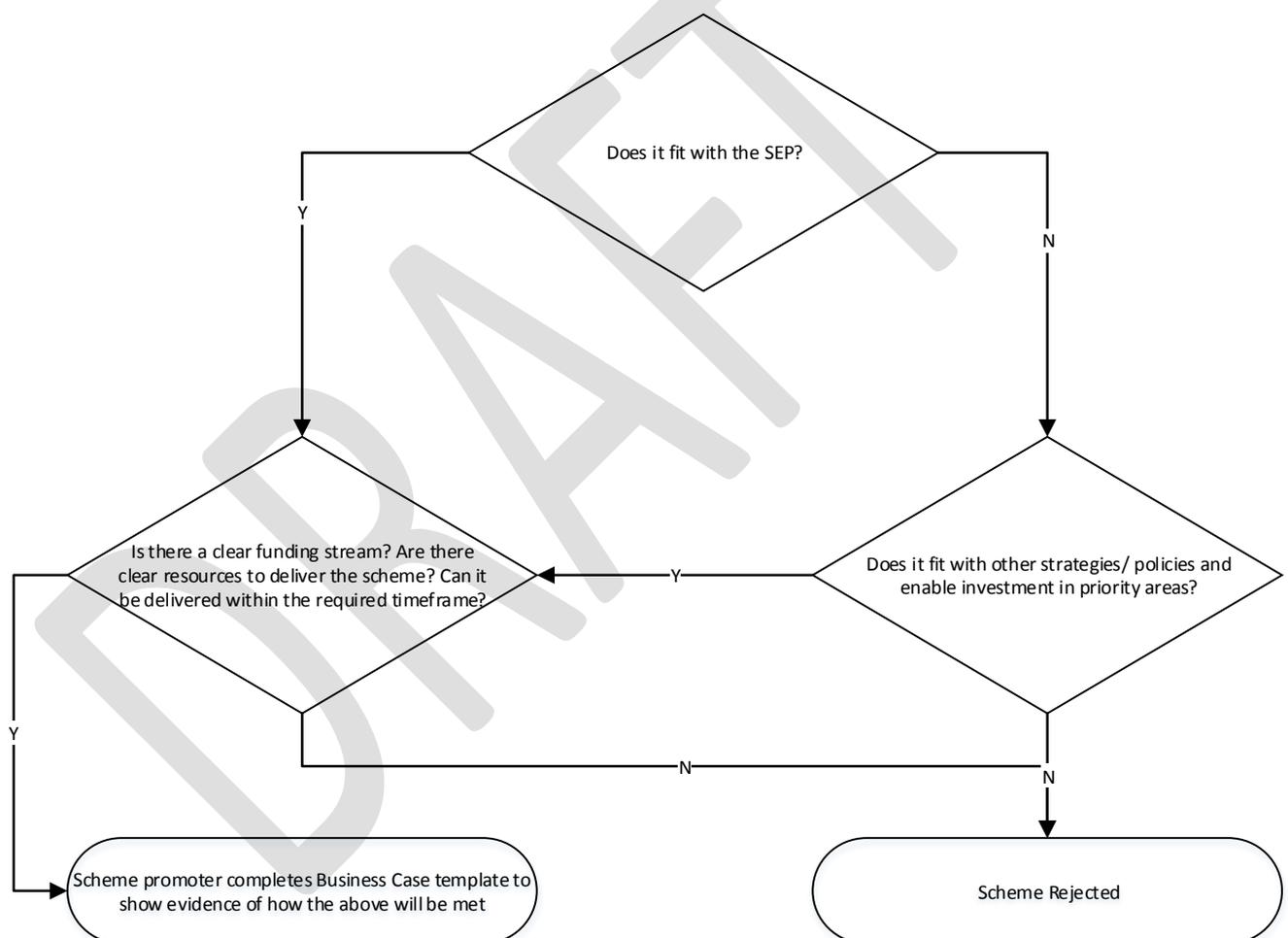
3. APPROACH TO PRIORITISATION

3.1 Introduction

The approach for identifying and prioritising those programmes and projects that are most likely to provide value for money, maximise economic benefits and deliver against the LCR SEP's vision and strategic priorities, is set out in the following sections.

3.2 Identifying candidate schemes

Local partners, the Policy and Strategy Directorate and the LEP will largely be responsible for identifying and developing candidate schemes for inclusion in the project pipeline. To assist the identification of schemes, a number of guiding principles are used:



Scheme promoters are required to submit evidence on standard WYCA business case templates which have been designed in line with HM Treasury Five Cases guidelines, and designed to capture evidence relating to the guiding principles above.

Calls for proposals

Other avenues for potential schemes to access funding opportunities from the LEP/WYCA could be through funding competitions with specified deadlines for submissions as well as open calls where the LEP/WYCA will be seeking on-going business case submissions from scheme promoters.

All calls for proposals with specified deadlines, including details of the application and decision process and assessment/eligibility criteria are posted on the LEP/WYCA website and promoted with public sector partners and the business community.

3.3. Methodology for prioritising investment

Once schemes have been identified, the prioritisation of schemes to enter the pipeline (Stage 1) is then critical to the creation of a focused programme of investment across the four priorities of the SEP.

When comparing schemes for prioritisation, they are considered in the context of creating a balance between spending areas, between projects within a programme, in relation to funding opportunities and bids that come forward. This is done to ensure that schemes of a different nature are not compared against each other.

In order to facilitate the prioritisation of schemes in an objective, consistent and transparent way, they are compared on the basis of their potential to deliver on the criteria they were originally identified on, as well as their ability to offer value for money.

3.3.1 Assessment criteria

The Assurance Process will inform decision-making by providing an objective, transparent and rigorous system of appraisal to assess programmes and individual projects objectively. It is a flexible process that can be adapted to the specific nature, scale and scope of the project and/or programme. It sets out how all City Region projects and programmes, whether they are housing, regeneration, transport, low carbon, skills, innovation or anything else that comes to WYCA and the LEP for consideration, will be appraised and evaluated based upon the evidence provided.

The Assurance Process will be applied to the assessment of all projects and programmes funded from Government or local sources that flow through WYCA and the LEP projects, drawing on national guidance (e.g. Green Book, Treasury Five Cases, WebTAG and CLG Appraisal Guidance).

The following assessment criteria are used:

- fit with the SEP and other relevant strategies;
- clear evidence of the rationale and need (or demand) for the project;
- the additional GVA and employment impacts as well as the wider benefits, at the LCR level;
- contributes to our 'good growth' aspirations. This will also now include inclusive growth objectives;
- clearly defined inputs, activities, outputs, and anticipated outcomes and an assessment of additionality of benefits;
- confirmation that the investment represents value for money and is the preferred option;
- clear detail of the financial costs of the proposal and evidence of the need for WYCA/LEP support and availability of match funding; and

- the project is deliverable, has robust risk management, delivery and monitoring and evaluation arrangements.

Preference will be given to those schemes that:

- deliver 'high' value for money (e.g. a Benefit Cost Ratio or other appropriate Value for Money (VfM) benchmarks that meets established guidance for the project type being assessed;
- offer the potential to generate a return; and
- maximise private sector and other public sector investment.

It should be noted that there will also be cases when WYCA approves schemes where there is a lower Value for Money case. This could be where there are convincing wider economic and environmental impacts or where a scheme meets multiple SEP priorities. There may also be instances where there is a need to invest quickly in conjunction with significant levels of private sector leverage, in order to unlock a major development, or where social value is sought to be maximised (e.g. through the West Yorkshire Transport Fund programme).

3.3.2 Tools for estimating economic and wider benefits

All programmes and projects will be expected to have a positive (direct or indirect) impact on growth through job creation, skills improvement, productivity, improved connectivity etc. to ensure that the good growth aspirations articulated in the SEP are realised. Going forward, this will also include inclusive growth aspirations.

Net additional economic output, measured by Gross Value Added (GVA) per pound invested will be used as a key metric for determining whether a project delivers value for money. Other measures of value for money will be used where necessary to provide more information on the richness and scale of the potential impact of projects. Such measures include total cost per job and total GVA per job.

In order to assess GVA and jobs growth, as well as wider economic benefits, both quantitative and qualitative assessment will be required. WYCA/ LEP will take into consideration broader strategic value of proposals, particularly with regard to their potential to deliver increased GVA impact, as well as carbon and wider social benefits (e.g. contribution to the good growth principles set out in the SEP), in finally determining whether to approve a scheme.

A range of tools and models will be used to help estimate the wider economic impact of scheme proposals in order to facilitate the prioritisation and decision-making process. There currently include:

- **The Regional Econometric Model (REM)** - will be used on non-transport schemes to help determine their net additional employment and net additional GVA impact.
- **The Urban Dynamic Model (UDM)** – will be used for transport schemes to understand how employment and GVA growth could be constrained without the proposed transport intervention(s).
- **Skills Value Model** – An in-house approach has also been developed to quantify the impact of skills interventions. The approach allows us to estimate the potential increase in earnings attributable to acquiring a new qualification. The Net Present Value (NPV) and/or the net increase in earnings can be used as a proxy for GVA.

The qualitative assessment will seek to consider the strategic importance of the scheme (e.g. an assessment of how the scheme contributes to the priorities and objectives of the SEP). This more qualitative assessment is particularly important for revenue programmes, the direct effects of which are traditionally more difficult to quantify.

4. ASSURANCE AROUND PROGRAMME & PROJECT DELIVERY

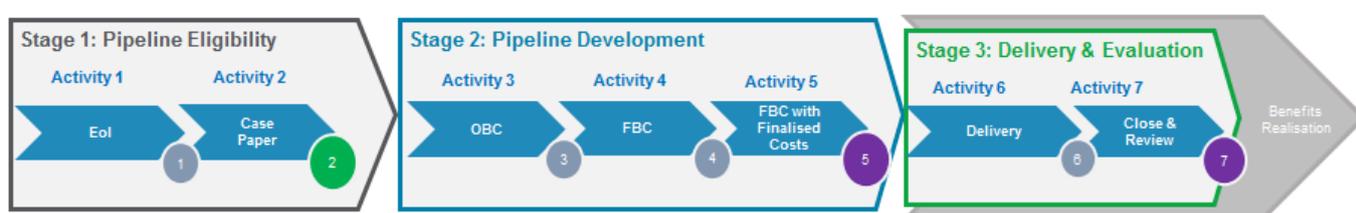
4.1 Introduction

This section sets out how the Assurance Process is used in the development and delivery of all WYCA projects and programme investments.

4.2 Assurance Process

The Assurance Process (set out in Figure 4.1) is a three stage system for project control to deliver value for money in a transparent and accountable way.

Figure 4.1: Overview of the Assurance Process



KEY: ● Decision Point ● Key Decision Point (IC/CA Approval Required) ● Key Decision Point

It has been designed to take all schemes through their project/ programme lifecycle, and provides a practical “step-by-step” framework to aid the development of business cases, to ensure successful delivery and monitoring and evaluation for making key decisions. The Assurance Process is both scalable and proportionate and offers a structured process for appraising, developing, planning, delivering and evaluation that is in line with HM Treasury guidance to deliver best public value.

The Assurance Process is used by the following:

- **Project Promoters:** it provides a pathway to allow promoters to develop proposals in a way that will give them the best chance of success;
- **Decision Makers:** it is a framework to provide the information they need to take investment decisions and to prioritise between different proposals in a clear and transparent manner; and
- **Partners and the wider public:** to give confidence that there is a clear and transparent framework to appraise and prioritise schemes and to take investment decisions.

An important feature of the Assurance Process is its flexibility in that it can be adapted to the specific nature, scale and scope of the project and/or programme. For example, it offers the potential for accelerated decision-making by allowing small scale, less expensive projects to move quickly through the decision points described below.

Programmes that are comprised of multiple projects for their delivery may also be subject to accelerated decision-making. In these instances, the assessment of the cost and benefit information may be at a high level with the programme level business case providing the strategic context for subsequent investments (projects). Following approval to fund the programme, the projects comprising the programme must be subject to individual business cases. The programme must be

approved at Decision Point 2 before any projects can proceed through the next stages of the Assurance Process.

Overview of the Assurance Process

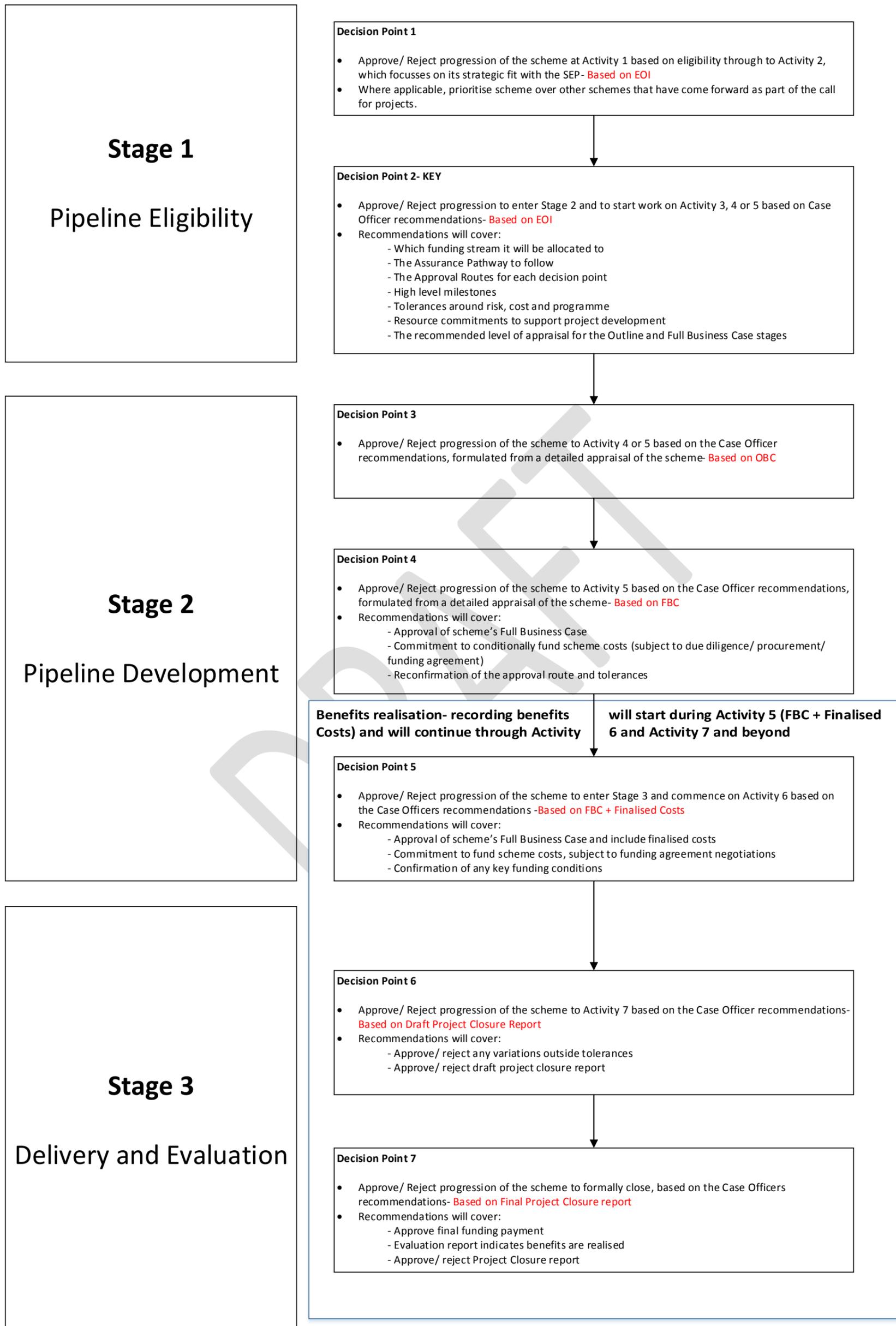
Under each stage outlined above there are a series of Activities that need to be carried out in order to progress each scheme. Whilst there are seven possible Activities, not all would apply to all schemes and the process and intensity of appraisal applied can be tailored for each scheme depending on its type, scale and complexity, with the appropriate Activities applied (e.g. not all schemes will be required to complete an Outline Business Case; they could proceed straight to Full Business Case).

Benefits realisation is considered to be something that runs through all of Stage 3. Scheme promoters should be starting to capture benefits as soon as the scheme is being delivered in Activity 6, and this will continue through scheme closure and beyond.

At the end of each Activity, a scheme is required to go through a Decision Point. It is here where a scheme is appraised against the HM Treasury 'Five Cases Model'. As such, project sponsors must demonstrate that a robust, accurate and compelling business case exists at each stage of the process (subject to the approved pathway as set by PAT). All schemes must be approved by WYCA at Decision Point 2. Further information can be found in Figure 4.2.

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Figure 4.2: The Assurance Process



4.3 Business Case Requirements at each stage of the Assurance Process

A key objective of the Assurance Framework is to support WYCA in assessing whether potential investments offer good value for money and have the capacity to generate and deliver the growth objectives set out in the SEP, or specific objectives relevant to a funding stream.

Along with the focus of the Business Case changing as a scheme progresses through the Assurance Process, the focus of the Business Case appraisal is structured around a series of key appraisal questions which enable the appraiser to review and test the evidence presented in the Business Case across the 'five cases'. Project promoters are made aware of the key appraisal questions in order to guide the presentation of evidence in the Business Case.

All projects will undergo a 'five cases' assessment to ensure a project demonstrates that the outcomes and outputs are deliverable, that the associated Business Case is a sound one and that the scheme represents value for money.

The following Business Case templates will be completed by projects during Stages 1 and 2 of the Assurance Process.

Stage 1: Pipeline Eligibility

An Expression of Interest (EoI) is completed by the Scheme Promoter and submitted to WYCA in order for a scheme to be considered for funding as part of Activity 1 in the Assurance Process. The primary purpose of the EoI is to provide WYCA with information on a scheme proposal in order to determine whether it is eligible for funding.

Eligibility is based upon a scheme's strategic fit to the SEP and any specific restrictions relating to how different funding can be allocated. If a scheme is eligible for funding, this will be approved at Decision Point 1 in the Assurance Process by the Director of Delivery, with exceptions approved by the PAT.

Following progression through Decision Point 1, a Case Officer will be assigned to prepare a Case Paper at Activity 2. The Case Paper will determine and recommend whether a scheme proposal proceeds through Decision Point 2 and is invited to prepare a Business Case- Outline or Full depending on the agreed pathway through the Assurance Process. The Case Paper will assess the scheme's potential to deliver economic benefits and assess the scheme's deliverability, and is focussed on the strength of the strategic case. It is possible that a Case Officer may determine that further work is required on the information provided in an EoI in order to complete a Case Paper, even though it may have passed through Decision Point 1.

A summary of the criteria used to aid the Stage 1 assessment and prioritise and select those schemes that will progress to Stage 2 are set out in Table 4.1.

Table 4.1: Overview of the Stage 1 Assessment Criteria

Criteria	Description
Strategic Case	<ul style="list-style-type: none">• Has the scheme been clearly defined?• Is it clear why WYCA investment is needed and what it will be used for?• Does the scheme have a clear alignment to SEP Strategic Priorities, Headline Initiatives and funding source?• Does the scheme meet the 'Good Growth' principles?• Is there a clear rationale / need / market failure case for investment?

Criteria	Description
	<ul style="list-style-type: none"> • Have the scheme objectives been clearly set out?
Commercial Case	<ul style="list-style-type: none"> • Has evidence of need/demand for the project been identified? • Is the market for the project clearly understood? • Does the project unlock other downstream investments? • Has the scheme considered how it will procure the solution?
Economic Case	<ul style="list-style-type: none"> • Will the project contribute to SEP Headline Indicators? – either directly or indirectly • What potential does the project/programme have to deliver economic benefits/growth e.g. through jobs, unlocking sites, skills uplift, etc.? • Does the project contribute to other indicators that underpin the key principles of the SEP and the individual Priority Areas? • Do projected outputs and outcomes appear realistic / achievable? • Does the project appear to offer the potential of reasonable value for money? • Where appropriate has strategic and economic modelling been used to carry out an initial test of a project to identify a GVA/£ ratio e.g. Urban Dynamic Model (UDM) or the Regional Econometric Model (REM) • Has the project/programme undertaken an options appraisal e.g. SWOT assessment of a long list of options in order to identify a short list? • Does the scheme have a Benefits Register?
Financial Case	<ul style="list-style-type: none"> • Is the amount and timing of WYCA investment and match funding clearly set out? • Has the Loan first principle been considered? • Has other funding been confirmed or is there a clear timescale for confirmation? • Is there a proposal for WYCA to achieve any financial return through the project? • How are the scheme costs made up? Are they robust and realistic?
Management Case	<ul style="list-style-type: none"> • How will the scheme be managed, are the appropriate arrangements in place / outlined. How 'delivery ready' is the project? • Are delivery timescales clearly indicated and are they realistic? e.g. A high level development and delivery timetable identifying any potential barriers or constraints (e.g. planning, legal, land ownership issues). • What are the main risks facing this scheme? • If appropriate for scheme – has it got a Risk Register and/or Risk Plan? • Are there any potential barriers/constraints to the Scheme that will impact on delivery?

Criteria	Description
	<ul style="list-style-type: none"> Has an initial assessment of any potential State Aid implications been undertaken? Are there any linkages/Interdependencies with other schemes that could affect delivery Is the appropriate project / programme management documentation in place? Have the appropriate supporting technical studies been undertaken? Has the Promoter demonstrated any Lessons Learnt?
Other criteria (if applicable)	<ul style="list-style-type: none"> For transport schemes this could include modelling to predict changes in carbon emissions, accidents, mode splits and impacts at different geographies including deprived communities.

Stage 2: Pipeline Development

The Business Case template uses a detailed ‘five cases’ assessment of the scheme that demonstrates that the outcomes and outputs are deliverable, that the associated Business Case is a sound one and that the scheme represents value for money.

At this stage the Business Case template seeks to build on the evidence presented in the EoI in order to present the full details of the scheme across the ‘five cases’ model.

Strategic Case	Refinement from the EoI
Commercial Case	Market Demand/ testing evidence and procurement strategy
Economic Case	To include options appraisal, economic impact assessment and value for money analysis
Financial Case	Costs, funding and financial profile
Management Case	Governance/ project management, confirmation of procurement arrangements, risk mitigation and State Aid compliance

Table 4.2: Stage 2 Assessment Criteria

Criteria	Description
Strategic Case appraisal	<ul style="list-style-type: none"> Does the project clearly set out the strategic drivers for this investment? Does the project contribute to the achievement of the Leeds City Region’s Strategic Economic Plan Does the project link to other activity being delivered either within the City Region or nationally? Does the project meet other national, sub-regional and local strategies and policies? Does the project set out why WYCA funding is required in order to be undertaken? Has the project undertaken any engagement/consultation with key stakeholders and beneficiaries affected by the scheme? Does the project clearly set out its objectives? Does the project clearly set out the key activities to be funded?

Criteria	Description
Commercial Case appraisal	<ul style="list-style-type: none"> • Has the project provided evidence to support the market demand justification for this project? • Has the project provided evidence to support the projected take-up by the market? • Does the project have a preferred procurement strategy/approach? • Has the project considered risk allocation and transfer?
Economic Case appraisal	<p><u>All Projects:</u></p> <ul style="list-style-type: none"> • What Long List of Options have been considered? • What Critical Success Factors (CSF) have been used to evaluate the Long List of options? • How has the Long List of Options been appraised? • What is the Short List of Options? • How has the Short List of Options been appraised? • How does the Scheme contribute to the SEP Headline Indicators • What methodologies have been used to calculate the Monetised Benefits? • What methodologies have been used to calculate the Monetised Costs? • How is uncertainty in the appraisal dealt with? • Does the project identify any wider benefits? • Does the project identify any Low Carbon and Environmental Benefits • What is the Scheme Value for Money position? • Is the Preferred Option clearly defined? <p><u>Additional Assessment Criteria for Transport Projects:</u></p> <ul style="list-style-type: none"> • What methodologies have been used for modelling and appraisal of the scheme? • What transport model(s) have been used for the scheme appraisal? • What forecasting methodologies have been used for the scheme appraisal? • How has the impact of the scheme on travel demand and behaviour been incorporated? • How is uncertainty in the appraisal dealt with? • How the scheme impacts across different social groups? • Does the project have an Appraisal Summary Table? • Does the project have a Transport Economic Efficiency Table? • Does the project have an Analysis of Monetised Costs and Benefits Table? • Does the project have a Public Accounts Table?
Financial Case appraisal	<ul style="list-style-type: none"> • Has the project got a calculated outturn capital cost? • Has the project got a clear cash flow and funding profile? • Does the project have any revenue, on-going/operational costs associated with it? • Does the project have any other funding sources? • Have the main financial risks been identified? • Has the project addressed how will cost overruns would be dealt with? • Does the project offer any potential to generate a commercial return to pay back funding? • Does the project have any State Aid issues to address? • Is WYCA funding a loan?

Criteria	Description
Management Case appraisal	<ul style="list-style-type: none"> • Does the project have a clear delivery plan? • Is there more than one delivery partner involved in the delivery of this project? • Does the project have a clear programme? • Has the project set out any delivery constraints? • Does the project have an adopted approach towards risk management? • Has the project completed a Quantified Risk Assessment (QRA)? • Does the project have a Communications Strategy? • Does the project have a Benefits Realisation Plan?

The Business Case appraisal is effectively a risk-based appraisal that is designed to enable the Case Officer to test and report on key scheme risks across the five cases. This ensures that decision-makers at any level of delegation fully understand scheme risks, particularly in terms of benefits realisation, financial outcomes and value for money. It provides the basis on which any conditions precedent for a funding agreement can be proposed.

Business Cases are rated against an appraisal framework and each of the five cases is given a RAG (red, amber, green) rating based on the response to the key appraisal questions as follows:

RED	Does not adequately address one or more of the key assessment questions
AMBER	Addresses all of the key assessment questions but specific issues may require further consideration or action
GREEN	Presents a clear and comprehensive response to the key assessment questions

The main findings in respect of the five cases are then brought together into a single assessment summary and an overall scheme RAG rating. It is anticipated that schemes receiving an overall red rating may require the applicant to provide extensive additional information prior to subsequent reappraisal. Schemes receiving an overall amber rating may require special conditions (or conditions precedent) to be included in any subsequent grant agreement between the applicant and the accountable body.

4.3.2 Assessment of Economic Impact & Value for Money

A range of tool-kits and approaches are used to demonstrate the wider economic benefits and value for money in order to prioritise and assess the overall Business Case for a scheme. In line with recognised VfM guidance, the assessment will consider:

- **Economy:** Minimising the cost of resources used;
- **Efficiency:** The relationship between the output from goods or services and the resources to produce them; and
- **Effectiveness:** The relationship between the intended and actual results of public spending (outcomes and meeting objectives).

As set out in the LEP National Assurance Framework guidance, the methodology used to assess VfM will be in line with the established guidance prescribed by the relevant government department:

Transport	The standard against which WYCA will assess the robustness of the economic case of transport projects with a capital cost in excess of £5m will be the established WebTAG methodology. See table 4.3.
Housing	The appraisal will draw on advice and guidance from the HCA alongside DCLG's appraisal guide for residential and non-residential development.
Enterprise, business support and Innovation	These projects will need to demonstrate ability to deliver VfM through evidence-based Business Cases aligned with HM Treasury Green Book guidance, with a commitment to publishing results to add to the evidence base on what works and contribution to local and national policy goals and growth.
Skills Capital	The Appraisal will continue to draw on Skills Funding Agency guidance
Regeneration	Projects will be in line with the National Planning Policy Framework and the Planning Practice Guidance. For projects beyond housing and transport interventions, for example, enabling works, land assembly, utilities and/or public realm projects, the DCLG appraisal guide will be used in helping to appraise their costs and benefits.

The approach adopted for the appraisal of a scheme will be proportionate to the scale and risk of the proposal. Some **Investment Appraisal Techniques** utilised are:

Cost Benefit Analysis	This calculates the costs and benefits for each year covered by the proposal and other shortlisted options (including the do-nothing/ do minimum 'counterfactual' position), which are then summed to produce a net figure for each year.
Net Present Value	This calculates the difference between the present value of cash inflows and the present value of cash outflows. Investments with a positive net present value will be acceptable.
Accounting Rate of Return	This compares the profit that is expected to be made from an investment to the amount that is needed to invest.
Internal Rate of Return	This measures the profitability of potential investments and allows schemes to be ranked by their overall rates of return rather than their present net values.
Payback Method	This calculates how long a scheme will take to pay back the money spent on it based on expected cash flows.

Wider Economic Impact Assessment

In order to generate a prioritised shortlist of schemes, a wider economic impact assessment will be undertaken which utilises a range of tools and models. The Assurance Process draws on a line of nationally recognised value for money benchmarks relevant to the type of scheme under review for example:

- WebTAG for the appraisal of transport schemes;
- HCA Additionality Guidance and other appropriate sources, including DCLG Appraisal Guidance for housing and regeneration schemes;
- the Regional Development Agency Impact Study 2009; and
- evaluation evidence produced by the What Works Centre for Local Economic Growth.

Other measures of value for money will be used where necessary to provide more information on the richness and scale of the potential impact of schemes. Such measures include:

- total cost per job;
- total GVA per job;
- cost benefit ratio; and
- grant per job.

The adopted approach also aims to provide a 'level playing field' between the wide-range of intervention types that are being considered across the four strategic priorities of the SEP. This allows the LEP and WYCA to maximise the employment and productivity outcomes from available funding.

4.3.3 Compliance with DfT's WebTAG Guidance

All transport schemes will be subjected to the minimum requirements on modelling and appraisal, Value for Money (VfM) statement, assurance and evaluation as set out in the National Assurance Framework Guidance (LEP and Single Pot).

The modelling and appraisal work will be scrutinised to ensure it has been developed in accordance with WebTAG, is robust, and is fit for purpose. A mix of both internal and external resources (partner, local authorities and independent consultants) in the form of a Peer Review Panel will be used, so that appropriate and independent recommendations can be provided to decision makers. Opinion from DfT may be sought for high value or contested schemes. Responsibility for quality assurance of the assessment and scrutiny will rest with WYCA's Head of Feasibility and Assurance.

An Appraisal Specification Report (ASR) should be developed by the scheme promoter at the start of Stage 2 and agreed with WYCA, which sets out how the scheme will be appraised. An Appraisal Summary Table (AST) and VfM Statement will be produced by following WebTAG and DfT's VfM guidance. A VfM Statement will be produced for decision makers summarising the conclusions from VfM assessment taking into consideration whether benefits outweigh the costs whilst identifying key risks and sensitivities that may affect the VfM conclusion. The statement will be prepared by the scheme promoter. This will be reviewed and signed off by suitably qualified and authorised WYCA personnel who are independent of the project. The VfM statement will be presented to WYCA for decision-making purposes at appropriate stages in the Assurance process.

To maintain VfM for major transport investments from public funds, WYCA is committed to approve schemes with a final VfM of 'High' or above. In exceptional circumstances any scheme with a VfM category lower than 'High' may be approved. An example of such a transport scheme could be one which unlocks a major development site or a scheme which can be directly attributed to job creation and/or GVA growth.

4.4.4 Appraisal Proportionality

The level of appraisal will be proportionate to the nature, scale and scope of each project and/or programme. For example, **where a scheme carries greater risk and/or is more complex, the intensity of the appraisal will reflect this.** This is not simply a matter of the financial scale of a project, but will also need to take account of how the project is structured, its processes and dependencies. The capital-intensive nature of transport projects and the accompanying high costs mean that transport schemes will have different financial thresholds in terms of how they are treated.

The proposed framework is set out in Table 4.3. These are **indicative** investment thresholds that will be used as an initial guide to determine the level of appraisal required for transport and non-transport schemes, and which will be reviewed in light of experience. Evidence will be provided to the PAT around factors of project complexity to inform the decision around the level of appraisal requirement. This should be set out in the agreed Appraisal Specification Report (ASR). Where a project is multi-faceted, proportionality will be based on the proposed costs of the various elements.

Table 4.3: Investment thresholds to determine level of appraisal

Complexity / risk	Cost						
	Non-transport schemes			Transport schemes			
		Low (less than £5m)	Medium (£5m to £10m)	High (greater than £10m)	Low (less than £20m)	Medium (£20m to £50m)	High (greater than £50m)
	Low	Value for money/GVA impact - ratio of GVA per £ spent simple appraisal	Value for money/GVA simple appraisal	Full HM Treasury 'Green Book' compliant business case including GVA assessment	BCR/GVA simple appraisal	BCR/GVA simple appraisal	Full WebTAG compliant business case & GVA assessment
High	Value for money/GVA BCR and other 'relevant' benefits appraisal	Value for money/GVA BCR and other 'relevant' benefits appraisal – individual Green Book cases may be applied	Full HM Treasury 'Green Book' compliant business case including full CBA and GVA assessment	Full WebTAG compliant business case & GVA assessment	Full WebTAG compliant business case & GVA assessment	Full WebTAG compliant business case & GVA assessment	

4.3.5 Who will undertake the appraisal of projects?

Programme Appraisal Team (PAT)

The Programme Appraisal Team (PAT) is comprised of WYCA officers who oversee the Assurance Process as projects/programmes progress through it.

The PAT is an internal assurance group and has no formal approval making powers. The PAT make recommendations, which are then reported through the current WYCA governance arrangements for a formal decision.

The PAT consists of a core membership representing WYCA programme delivery, feasibility and assurance, policy, economic, legal, and financial functions. Attendance at PAT meetings is supplemented by Case Officers, independent technical advisers, peer group representatives (including representatives from partner authorities and/or third party private businesses) and other attendees as required to supplement the decision making process.

The PAT Terms of Reference are attached in Appendix 3.

WYCA Appraisal Function

The responsibility for appraisal of projects sits with the Director of Delivery. Each scheme will be assigned a Case Officer when it enters the Assurance Process. The Case Officer is a WYCA officer, and will be responsible for carrying out the appraisal of a scheme. This may be done using their own expertise, or where necessary bringing together expertise from within WYCA or from external advisors and partners. This may cover financial, transport, economic, property, legal matters and experience of the relevant priority areas of the SEP. The Case Officer will have an appropriate degree of impartiality from the scheme.

As well as being multi-disciplinary, peer reviews can also include representation from different authorities and organisations as appropriate (e.g. peer review by officers from non-promoting authorities). Where appropriate and necessary, external advice will be procured to support the process (e.g. independent appraisal of WYCA projects). Wider independent advice may also be sought in some cases, including liaison with DfT and HMT economists.

There will be a clear separation between the appraisal function and the project sponsor/promoter. This means that staff carrying out appraisal will not be involved in advising on project and business case development activity.

Following each assessment of a project, a template will be completed by the Case Officer that reports the findings of the appraisal and this will be reviewed by the Programme Appraisal Team (PAT).

The WYCA Appraisal Function and Programme Appraisal Team (PAT) scrutinise and quality assure the process to ensure that the work undertaken is independent of the authority promoting the scheme. The Director of Delivery has overall responsibility for ensuring value for money for all projects and programmes.

4.3.6 When will schemes be assessed?

It is expected that discussions between the scheme promoter and the LEP/WYCA will be an on-going and iterative process.

There will be a number of avenues for potential schemes to access funding opportunities from the LEP/WYCA. For example, this could be through funding competitions with specified deadlines for submissions as well as open calls where the LEP/WYCA will be seeking on-going business case submissions from scheme promoters.

All calls for proposals with specified deadlines, including details of the application and investment decision process, will be posted on the LEP/WYCA website and promoted with public sector partners and the business community.

The timescales for the assessment of business cases will vary depending upon the nature and complexity of the scheme, on the quality of information provided by the scheme promoter and on the volume of business cases under review. However, milestones will be agreed and set out between the Promoter, and LEP/WYCA following all Decision Points within the Process in order to establish a clear picture of what needs to be done next in the development of a scheme and when it can expect to be assessed and appraised across all areas of its business case.

4.3.7 Reporting of Appraisal Findings

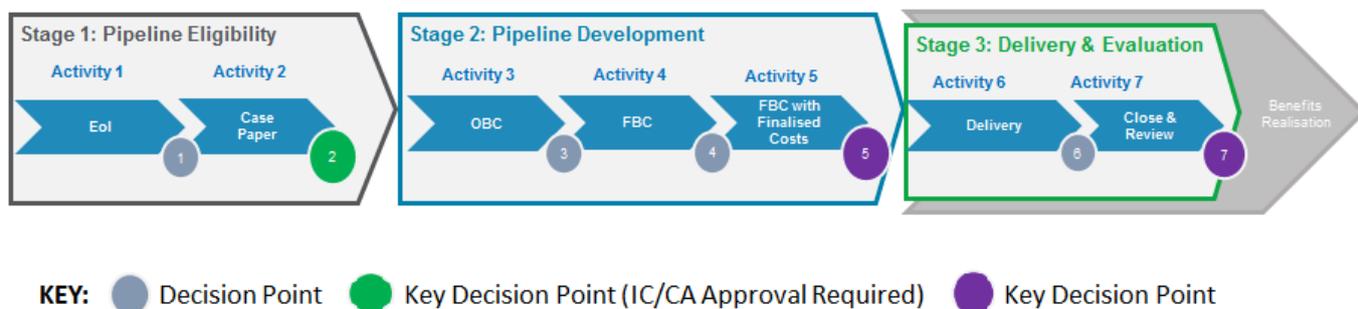
Approvals Pathway

Schemes will be assessed on a case by case basis, with the approvals pathway set out and agreed by WYCA at Decision Point 2 which best serves the needs of WYCA in carrying out the correct level of assurance, enabling schemes to progress quickly, and enabling WYCA to respond quickly to investment

opportunities. There are 6 possible approval routes at each Activity (an example of the approvals pathway is shown in Figure 4.2):

PAT	Investment Committee	WYCA
PAT	Investment Committee	Managing Director
PAT	WYCA	
PAT	Manging Director	
PAT	Transport Committee	
Business Investment Panel	Managing Director (for loans and business grants at DP4)	

Figure 4.3: Example of a Scheme’s Approval Pathway*



Assurance Pathway						
✓	✓	✓	✓	✓	✓	✓
Approvals Pathway						
PAT MD DoD	PAT Investment Committee WYCA	PAT MD	PAT MD	PAT Investment Committee WYCA	PAT MD DoD	PAT MD DoD

*this example is based upon a large scale, complex transport scheme

The key principle is that the PAT will always review a scheme at a Decision Point to check whether the Assurance Process has been applied correctly and assess whether a scheme is eligible to progress to the next Activity. The Investment Committee is asked to review the PAT’s recommendations early on in the Process in advance of WYCA or the Managing Director making any formal approval. This will usually be at Decision Point 2 at entry into the Pipeline for development.

Whilst schemes will by default always be seen by the PAT at each Decision Point, the PAT also have the option to defer the responsibility for seeing a scheme’s business case at Decision Points as they see fit e.g. LEP Loans may be seen by the PAT at Decision Point 2 with a Case Paper, then come back at Decision Point 4 with a Full Business Case that will be assessed by the Business Investment Panel instead.

In the case where the situation arises that the PAT agrees to reject a scheme, it is the role of the PAT to advise Investment Committee of this recommendation – and then for the Investment Committee to recommend to either approve or reject proposals to the Decision Maker.

Depending on the cost, complexity and risk of a scheme, the Investment Committee may request that a scheme is referred back to the Committee at subsequent Decision Points for their recommendation to progress along the Assurance Process in advance of Decision Point 5.

There is also the option for the Investment Committee to recommend to WYCA that further approvals after Decision Point 2 be delegated to WYCA Managing Director to facilitate speeding up the delivery of schemes that are considered low cost, less risky and less complex, and which remain within tolerances.

4.3.8 Due Diligence Assessment

Due diligence is the independent verification of key information and assumptions. The purpose of due diligence is to protect all parties from acting on incorrect or impartial information.

Due diligence may be carried out at any point in the development of a scheme, however it will be formally required as part of Activity 5 – Finalising Costs. Information requirements at this stage will depend upon the nature of the scheme, the findings of the Full Business Case assessment and any outstanding actions still to be undertaken prior to any funding agreement being approved. The Business Investment Panel has a key advisory role in this process for business grants and loans.

Each case will of course be different depending upon the nature of the scheme, but could include:

- **Lending:** financial standing of delivery body, company ownership and creditworthiness, value of security offered and details of any existing charge, terms of loan including drawdown and repayment, consideration of State Aid;
- **Recoverability:** projects need to demonstrate the income from which the loan will be repaid;
- **Deliverability and risk:** confirmation that the project is ready to start and a risk management plan is in place; and
- **Final economic impact/VfM statement:** jobs created, contribution to the City Region economy and other outputs/outcomes such as remediated land, apprentice positions, houses built, private sector deliverability.

4.4 Release of Funding, Cost Control and Approval Conditions

The funding offer will be bespoke to each individual scheme. The arrangements for the draw down and release of funding will be agreed during Stage 2 of the Assurance Process. To illustrate, the following funding conditions could apply and will be specified in the funding agreement:

- funding to scheme promoters will be capped at the maximum level;
- any potential overspends will be escalated by the Project Sponsor to WYCA. WYCA will consider the appropriate options, which will include a requirement for the Business Case to be re-worked and presented back to WYCA for further consideration;
- the Promoter's Chief Internal Auditor to provide assurance and to certify all expenditure on an annual basis;
- the Promoter's Chief Finance Officer to sign off 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 to the Fund;
- WYCA, as the Accountable Body, will release funding in advance in instalments (on a quarterly basis unless agreed otherwise), but only when it is needed. Regular reconciliation will be adopted to accelerate or pause payments to keep pace with actual spend; and
- WYCA may arrange for local audit of schemes to detect any misuse of funds.

Overall, WYCA's Internal Audit arrangements will sign off all total expenditure as part of the Annual Audit process.

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5. MONITORING AND BENEFITS REALISATION

5.1 Introduction

The following section sets out the approach to Monitoring and Benefits Realisation, including ongoing reviews of the Assurance Framework

5.2 Scheme Monitoring and Benefits Realisation

Monitoring during Development and Delivery (Activity 3 to 7 inclusive)

All projects will be monitored throughout their progression through the Assurance Process. Monitoring reports will be used to guide the collection of data from individual projects and is designed to ensure that it captures information required by WYCA/LEP and HM Government.

To ensure the benefits of the assurance process are fully met, WYCA has invested in the development of a new Portfolio Information Management System (PIMS), which will provide the following benefits:

- **Transparency**
 - allows informed and improved decision making;
 - provides visibility of project progress;
 - provides a full audit trail of project data; and
 - linkages and dependencies between various projects in the portfolio can be viewed and managed more easily.
- **Consistency**
 - provides a robust and automated method of project assurance;
 - standardised templates and reports will offer more robust project controls; and
 - centralised repository for cost and risk management activities will provide a uniform approach.
- **Efficiency**
 - manual data input and manipulation is reduced;
 - standardised reports, documents and dashboards enable project teams and stakeholders to concentrate on delivery;
 - resource management allows for resource planning ahead of demand;
 - the organisation's ability to plan using future project deliverables is increased; and
 - lessons learned can be more easily understood and shared between stakeholders.
- **Focus on delivery**
 - aggregation of project data can identify trends in advance;
 - facilitates alignment of projects to corporate strategy; and
 - recommendations and actions to be carried out in a more structured and timely way.

Key metrics of information on performance will be reported at regular intervals from when a scheme enters Stage 2: Pipeline Development and will include income and expenditure, programme and top risks.

The individual project monitoring information will feed into an overall monitoring plan for WYCA funding, which will be reported to WYCA/LEP to enable effective management of all projects and programmes and schemes are being delivered.

All WYCA/LEP Board monitoring reports are published on WYCA and LEP websites.

Close and Review (Activity 7)

The purpose of Activity 7 is to confirm that a project has met all key requirements and deliverables in accordance with the Funding Agreement and completed any outstanding compliance requirements highlighted during Activity 6 and in the Final Monitoring Report. Also, to capture feedback and lessons learnt to inform the development and delivery of future projects.

The output from Activity 6 at Decision Point 6 is a draft Project Closure Report.

The output from Activity 7 at Decision Point 7 is a Project Closure Report.

Benefits Realisation (Ongoing through Activities 6 and 7)

All projects funded by WYCA and the LEP will be required to have an effective Benefits Realisation plan in place at the end of Activity 5, which will form a key aspect of a project's business case. Benefits Realisation reporting will be used to assess the effectiveness and impact of investing public funds and the extent to which projects are contributing to the overall objectives of WYCA and the LEP.

Growth Deal Monitoring and Evaluation Strategy

A SEP Evaluation Strategy is in place and has been used to further assess how well and cost effectively schemes have delivered, and the learning points that have emerged.

The principles behind the Evaluation Strategy are that it is locally owned, managed and draws on local systems; it will be proportionate and selective (e.g. we will not evaluate everything) and we will work with partner LEPs and government to identify opportunities for thematic evaluations that could be conducted across LEP areas or centrally commissioned.

The Strategy, which draws on recognised evaluation techniques and methodologies (e.g. to determine net impact/understand economic impact, etc.), plays an important role in strengthening the evidence base in order to inform the future strategic direction of policy development and assist in the design and delivery of future policy by:

- **Establishing evaluation frameworks with supporting tools and templates:** such as the adoption of agreed indicators and measures, data collection procedures and reporting mechanisms;
- **Identifying benefits and impacts:** Establishing the outcomes and impacts of a given project or programme and understanding whether the project under/over performed;
- **Demonstrating value for money:** showing that the public funds (e.g. Local Growth Fund, Growing Places Fund, Regional Growth Fund, Enterprise Zone, etc.) the LEP, WYCA and partners are managing are being used effectively and efficiently and are delivering a positive return on investment; and
- **Understanding the key lessons learnt:** Exploring what is working well and what is not, including management, content, delivery, recruitment and how far projects or programmes are meeting beneficiaries' needs.

The strategy now requires updating, including work on methods/approaches, baselining, data collection, and the need to update the overarching impact framework. It is important to note that the overarching framework will need to incorporate inclusive growth metrics and indicators, to reflect the Local Inclusive Industrial Strategy currently being developed.

The strategy will be reviewed and updated over the next 6 – 12 months, to include: refinement of our overarching impact framework to incorporate inclusive growth metrics and indicators; a review of evaluation methods/approaches to ensure that they reflect and draw on new guidance on the recommended framework for evaluating local economic growth policies (e.g. <https://www.gov.uk/government/publications/evaluation-of-policies-for-local-economic-growth-scoping-study>); and updating programme/project level evaluation plans for the schemes that we intend to evaluate under each of the four SEP priorities (including identifying new schemes that may be subject to a local evaluation).

Five Year Gateway Review

As part of the LCR Growth Deal agreement, the West Yorkshire Plus Transport Fund (WY+TF) will be subject to five-yearly Gateway Reviews to assess impact. The Government has indicated that the Gateway Review will focus on evaluating the progress and performance of the investment fund with economic growth becoming the primary measure for assessing impact.

An independent panel, as agreed with HM Government, has been established to undertake the Review. The first Gateway Review in 2019-20 will determine the availability of future Government payments for 2021-22 to 2024-25.

The evaluation component of individual WY+TF scheme's Benefits Realisation plans will need to complement the five-year Gateway Review. SQW has produced a local evaluation framework for the WY+TF, and is in the process of developing evaluation plans.

A review of the overall Monitoring & Benefits Realisation activity forms part of the Action Plan, and will advise on the development of an overarching Monitoring & Benefits Realisation framework.

5.3 Risk Management

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

WYCA recognise that effective risk management is an integral part of good corporate governance and as such should be a part of everyday management processes. WYCA 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.. The Portfolio Management Office (PMO) will champion risk management in projects, programmes and portfolios, providing a management lead in these areas and ensuring that appropriate arrangements are maintained. The Head of PMO is has overall responsibility for the identification and management of project, programme and portfolio risk, but the day-to-day coordination of Corporate Risk management activities is undertaken by the Corporate Planning and Performance Manager and responsibility for management of risk sits with Directors, Heads of Services, and risk owners.

Identification and Assessment of Risk

Full project-level risk analysis and mitigation/contingency plans are required for each scheme as part of the application process and in developing the business case.

Monitoring Risk

Funding recipients are required to submit updated risk assessments including mitigations on a quarterly basis as part of the Monitoring and Reporting process.

Each funding programme produces a risk register, which will include escalated project risks. These are reviewed at each of the relevant funding programme management group.

A strategic risk register with mitigations and responsibilities at portfolio level is also produced and reviewed quarterly by the Portfolio Management Group.

Risks contained within the above mentioned risk registers can also be escalated to WYCA Directorate level risk registers or to the Organisation's Corporate Risk Register as needed.

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Appendix 1 – Governance Structures

West Yorkshire Combined Authority (WYCA): Membership

Members are appointed in accordance with the Order which established WYCA. This provides that West Yorkshire constituent councils appoint at least one Member to WYCA, with a further three West Yorkshire appointments to reflect the balance of political parties among the West Yorkshire councils.

York is a non-constituent Council of WYCA, and appoints one of its Members to be a WYCA Member, and the LEP also nominates one of its members to be a WYCA Member. These two Members are non-voting, except in so far as WYCA gives them voting rights.

Membership of WYCA is set out on WYCA website ([here](#))

LEP Board

Role and Responsibilities

The LEP Board:

- Provides high quality leadership by:
 - setting the strategic direction for the sustainable economic growth of the Leeds City Region economy, as outlined in the Strategic Economic Plan (SEP), and
 - proposing key objectives and investment priorities to deliver the overall vision and strategy of the LCR LEP;
- Oversees the delivery of the SEP and through partnership with the private, public, voluntary and social enterprise bodies who all contribute to this aim;
- Leads the development of both existing and future Enterprise Zones in the Leeds City Region;
- Leads and coordinates funding bids and leverages funding from the private and public sector to support the delivery of agreed LCR LEP priorities;
- Works with WYCA to set the forward strategy for attracting new financial and business investment into the area;
- Jointly approves a Business Plan and performance reporting with the WYCA on its plans and the SEP;
- Influences key sub-regional, regional, national and international strategies;
- Publishes an annual report; and
- Provides a link to Government on all aspects of the LCR LEP's work.

Membership

The LEP Board brings together business and council leaders to oversee and make strategic decisions related to our Strategic Economic Plan.

This approach to partnership working provides the best of both worlds: private sector expertise on what businesses need to grow, and democratic accountability for public sector investment.

Details about the current membership of the LEP Board, including their positions are set out on both the LCR LEP website [here](#), and WYCA website [here](#)

The LEP Board has a private sector Chair, and at least 50% of the rest of the members also come from the private sector. One member is appointed to represent and engage with the SME business community.

The LEP Board:

- appoints its private sector members, following open recruitment procedures;
- appoints its Chair and Deputy Chair;
- annually reviews its membership having regard to the skills, knowledge and competencies it needs, the geography of the Leeds City Region, its key business sectors and different sizes of business operation and its diversity statement – see further below; and
- has adopted a diversity statement explaining how the LEP looks to ensure diverse representation at Board and sub-group level which is reflective of their local business community (including geographies and protected characteristics). This is provided as Appendix 5.

WYCA Transport Committee

In accordance with the policies and strategies set by WYCA, the Transport Committee meets on a regular basis to consider matters relating to WYCA transport functions. The committee has delegated authority to approve individual schemes within the Integrated Block of the Capital Programme, up to a maximum of £3m. In relation to transport-related investment, the Committee has a specific role in liaising with the West Yorkshire and York Investment Committee to promote the strategic alignment of regional transport funding investment.

The terms of reference, membership of the Committee, the dates of future meetings and agenda items can be found [here](#).

West Yorkshire & York Investment Committee

In relation to any function of WYCA relating to economic development and transport-led regeneration, the West Yorkshire and York Investment Committee⁵ is authorised to:

- advise WYCA about any proposed funding submissions by the Authority; local financial strategies; and project management and delivery arrangements;
- advise WYCA on the adoption, application and review of a Single Appraisal Framework (Assurance Process) for schemes seeking funding from the Authority or the LEP⁶;
- review the impact of programmes funded by the Authority or the LEP and make recommendations to the Authority as appropriate;
- liaise with the Transport Committee to promote the strategic alignment of regional transport funding investment⁷; and
- advise the Authority about any other key issues affecting the discharge of these functions.

The terms of reference, membership, future meeting dates and agenda items of the WY and Y Investment Committee can be found [here](#).

LCR Partnership Committee

Not every Leeds City Region local authority is directly represented on the LCR LEP Board, (although those which are not may have representatives on LEP Panels or Advisory Committees).

The LCR Partnership Committee provides a forum to bring together representatives from all Leeds City Region local authorities. Its purpose is to facilitate direct collective engagement with WYCA, the key local authority arrangement supporting the LEP, as its accountable body.

The terms of reference provide for the Committee to advise WYCA in relation to any function of WYCA relating to its role as accountable body for funding allocated to the Leeds City Region (including the

⁵ This is an advisory committee appointed under S102(4) Local Government Act 1972.

⁶ Including gateway criteria for entry of schemes into the Assurance Process.

⁷ This may be through holding joint meetings with the Transport Committee.

Local Growth Fund), including to ensure that decisions and activities of the LEP conform with legal requirements and that funds are used appropriately.

The terms of reference also provide for the Committee to act as a consultative forum on any matter referred to it by WYCA. This could include matters raised with WYCA (through the Chair), or by LCR authorities not represented on WYCA, as well as any raised by the LCR LEP Board.

Recommendations made by the LCR Partnership Committee may be referred to WYCA, or implemented under officer delegated authority. Where necessary, decisions may also be ratified by relevant authorities.

Six WYCA Members are on the Partnership Committee; one from each constituent West Yorkshire Council, alongside a WYCA Member appointed by the non-constituent council (York). The five Leaders of the City Region authorities not represented on WYCA are voting co-opted members of the Committee.

The terms of reference, membership, meeting dates and agenda items of the Partnership Committee can be found [here](#).

Business Investment Panel

A Sub-Committee of the Investment Committee, this panel has a key advisory role in the decision-making process, and constitutes a fundamental part of the assurance process for the appraisal of business grants and loans, in particular carrying out due diligence.

Funding applications are considered by this Panel first, before making recommendations to the West Yorkshire & York Investment Committee.

The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found [here](#).

Business, Innovation and Growth Panel

Made up of representatives from the private sector, universities, policy-makers and delivery partners, this ensures that our work is driven by the needs of business. It advises WYCA and the LCR LEP in relation to business growth, including business support, innovation, digital, trade, and inward investment.

The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found [here](#).

Employment and Skills Panel

A panel that brings employers together with local authorities and skills providers. The panel advises WYCA and the LCR LEP in relation to projects to address skills gaps in the city region's key industry sectors, and create local leadership that drives improvements in skills and employment. Their work is driven by the needs of employers and the region's economy.

The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found [here](#).

Green Economy Panel

This Panel is a joint partnership between local government and private sector businesses in the region. The Panel oversees projects that are helping to develop a cutting-edge energy infrastructure for the region that will drive innovation and contribute to business growth. The Panel's main objective is to achieve a substantial and continued decrease in carbon emissions, while also increasing economic output and employment. The panel advises WYCA and the LCR LEP in relation to environmental sustainability and achieving a zero carbon economy in the Leeds City Region.

The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found [here](#).

Land and Assets Panel

This Panel advises WYCA and the LCR LEP in relation to strategic land and asset management, housing growth, regeneration and place-making and any LCR enterprise zone.

The terms of reference, membership, meeting dates, agenda items and minutes of the Panel can be found [here](#).

Business Communications Group (BCG)

This group reports to the LEP Board. It is made up of spokespeople from key business representative organisations in the City Region. They play an active role in supporting business growth in the region by helping to coordinate effective communications between the LEP and the business community. They also act as an advisory group to the LEP Board; consulting with their members on barriers to growth and ensuring businesses are at the heart of everything we do.

The Chair of BCG is the identified LEP Board member to represent the SME business community.

The full list of membership can be found [here](#).

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Appendix 2 – Assurance Process Principles for ESIF Sustainable Urban Development (SUD) Purposes

Purpose

The urban agenda and the role of cities in driving forward smart, sustainable and inclusive growth is central to the successful delivery of the 2014-20 ESI Funds Growth Programme in England.

The Leeds City Region (LCR) Sustainable Urban Development (SUD) Strategy, which aims to address integrated urban challenges and opportunities in our area, was submitted to the Department for Communities and Local Government (DCLG) back in September 2015 and has now been formally agreed.

The Department for Communities and Local Governments – otherwise known as the Managing Authority - agreement of the SUD Strategy will ensure that funds worth up to 10% of the Leeds City Region European Structural and Investment Funds (ESIF), European Regional Development Fund (ERDF) allocation will be made available in order to implement the SUD strategy.

In order to put in place the delegated functions that are required by Article 7 of the EU Regulation 1301/2013, with regard to project selection, DCLG will establish the West Yorkshire Combined Authority as an Intermediate Body (IB) in line with Articles 123 and 125 of EU Regulation 1303/2013.

WYCA as the Intermediate Body will, in order to make decisions with regard to its role in the project selection process, use the principles of the Assurance Process as outlined below. Any process will be undertaken in line with the selection criteria as defined by the ESIF national Growth Programme Board.

This Appendix presents the Leeds City Region Assurance Process as the model and framework that the WYCA will adopt in assisting in the selection of projects as part of the ESIF programme 2014-2020 for SUD.

Background

- In July 2012 the Leeds City Region agreed a 'City-Deal' with HM Government giving greater local control over spending and decision-making particularly with regard to economic development, regeneration and transport. This 'City-Deal' agreed to the creation of a West Yorkshire Combined Authority (WYCA) and a commitment to develop an Assurance Process. The Assurance Process once approved by HM Treasury would provide a consistent, robust appraisal process for projects and programmes to inform investment decisions.
- In light of this, and the flexibility that is inherent within the Assurance process, it represents a means to structure the local appraisal of ESIF SUD projects rather than developing a separate process. This approach will complement the formal technical assessment which is carried out by DCLG.

Introduction to Selection of Projects using the Assurance Process principles

The process adopted here reflects the guidance issued by DCLG and adheres to the process and role of the Intermediate Body.

The Investment Committee will provide advice to WYCA in line with the nationally agreed criteria and in line with the agreed and signed Memorandum of Understanding between WYCA and DCLG.

The Investment Committee will be asked to provide advice to WYCA to whether proposals set out at Outline and subsequently Full Application appropriately address:

Local Strategic Fit as defined in the Selection Criteria⁸ for the ERDF 2014-2020 programme, which provides how:

- The proposed operation contributes to the needs/opportunities identified in the Call for Proposals to which it is responding.
- The proposed operation is aligned to the local growth needs set out in the local ESF Funds Strategy and contributes to the specific objectives, outputs and results of the relevant priority axes set out in the Operational Programme.

In addition, WYCA will provide advice to DCLG on the following Value for Money and Deliverability selection criteria:

Value for money

- The operation must represent value for money. In assessing value for money, DCLG will take account of:
 - Efficiency: the rate/unit costs at which the operation converts inputs to the Fund outputs.
 - Economy: the extent to which the operation will ensure that inputs to the operation are at the minimum costs commensurate with the required quality.
 - Effectiveness: the extent to which the operation contributes to programme output targets, results and/or significant strategic impact at the local level.

Deliverability

- The operation is deliverable within the requirements of the fund specific Operational Programme taking account risks, constraints and dependencies
- Evidence has shown that this type of operation is effective or where the operation is new or innovative, the risks have been considered and appropriate mitigations put in place.

Using the Assurance Process Principles

The Assurance Process is designed to ensure any projects seeking public finance should be subjected to a rigorous appraisal. HM Treasury has developed the Green Book which provides the basis for how projects should be appraised using the '5-cases model' to carry out a holistic assessment.

The 5-cases are:

1. **Strategic:** does the scheme fit with the aims of the City Region's Strategic Economic Plan? **(will be used for selection of projects for SUD as part of the ESIF Strategy)**
2. **Economic:** is the scheme value for money? **(will be used for selection of projects for SUD as part of the ESIF Strategy)**
3. **Commercial:** is there demand for the scheme and is it commercially viable?
4. **Financial:** is the scheme affordable and sustainable?
5. **Management:** is the scheme deliverable with achievable objectives? **(will be used for providing advice on the selection of projects for SUD as part of the ESIF Strategy)**

The Green Book details approaches and tools that can be adopted in order to effectively appraise projects. It is accepted that the detail and extent of appraisal should reflect the size and complexity of projects, but within all appraisals there should be some consideration of each of the 5-cases.

The Assurance Process has been developed in line with these principles and was a key requirement that emerged from the LEP's City-Deal. Discussions with HM Treasury are continuing to ensure alignment with central government processes and expectations. The Assurance Process will be used

⁸https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/430594/ERDF_and_ESF_Selection_Criteria_200315_Published.pdf

by the LEP and WYCA for all of its different funding regimes, providing a consistent and robust approach to appraise projects. This means all projects, irrespective of objectives or thematic area (transport, regeneration, housing, skills, innovation, enterprise etc.), will be assessed under this 'single' framework. This will better able the LEP and WYCA to compare and prioritise projects and programmes.

It is the Assurance Process which will be used to form the basis for the 'local' appraisal and selection of SUD ESIF projects outside the formal DCLG assessment.

For the purposes of selecting SUD ERDF projects the key principles of the Assurance Process will be used – but only using cases 1, 2 and for advice case 3 as described above and in line with the nationally agreed criteria and the agreed and signed Memorandum of Understanding between WYCA and DCLG.

Strategic Fit – Proposed Scope

The proposed assessment of strategic fit is currently being structured around the four pillars of activity that are central to the Leeds City Region Strategic Economic Plan (SEP):

1. Growing businesses
2. Skilled People, Better Jobs
3. Clean Energy and Environmental Resilience
4. Infrastructure for growth

Promoting social inclusion and combating poverty, designed to reflect aspects of the social outcomes that are promoted within the ESIF programme, are integrated within the pillars.

The pillars have been broken down into activity that could contribute to strategic outputs within the respective pillar and projects would be scored against these criteria.

Value for Money (VfM) - Economic Impact – Proposed scope

In assessing the value for money of each of the projects it is proposed that the process effectively mirrors that of the Assurance Process. The approach will be one of ensuring that the costs and benefits of projects are taken into account and wherever possible quantified.

This will be more straightforward for some projects than others and there will be an onus on reflecting local intelligence and priorities. New jobs and catalytic projects are 'worth' more in some areas than others simply because there are fewer jobs or because it is more difficult to create and sustain jobs in certain locations. This is especially the case where disadvantage is long-term and entrenched.

The Research and Intelligence team own and manage the Regional Econometric Model, a complex tool that enables scenarios to be assessed in terms of their net economic impact. This will provide a range of outputs with a focus on impacts in terms of employment and gross value added (a measure of economic impact). These outputs can be calculated over a range of different geographies.

Other approaches could be used to quantify the outputs/outcomes that by their nature have a direct impact that is more social rather than economic.

In terms of the local assessment additional measures of value for money will be used where necessary to provide more information on the potential impact of projects. Such measures and ratios will include:

- Total GVA of the project;
- Ratio of GVA to Total Cost AND public sector support;
- Total cost per job;
- Total GVA per job;
- Cost benefit ratio;

- Grant per job;
- Cost per business assist ;
- Cost per skill outcome; and
- Capital / build costs.

The appraisal will be informed and supported by national and local research in terms of the costs of outputs and outcomes. This will include elements such as guidance issued by OFFPAT, evaluations of RDA activity and more recent, evidence emerging from the What Works Centre for Local Economic Growth and bespoke evaluations such as that carried out on WYCA's Business Growth Programme (BGP).

Undertaking the work

Within WYCA a new 'One Organisation' restructure has recently taken place. Within the new structure the responsibility of the Assurance Process is the responsibility of the Director of Delivery, to whom a Head of Feasibility and Assurance reports.

The Head of Feasibility and Assurance will commission the Head of Research and Intelligence (under the Director of Policy, Strategy and Communication), to undertake the appraisal work on local strategic fit and economic - Value for Money (VfM). The appropriate policy lead will also support the approach, under the supervision of the Head of Research and Intelligence, to provide the advice that will be considered and discussed by the West Yorkshire & York Investment Committee. This in turn, will lead to recommendations to WYCA to make decisions on the selection of operations.

Reporting

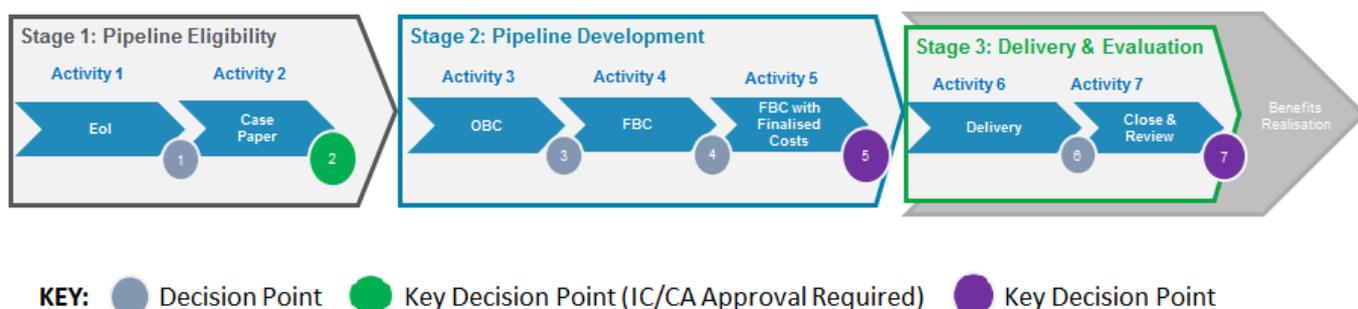
The results from the appraisal will be presented in a summary assessment report, provided by DCLG, alongside DCLG's own formal technical assessment. This will provide an insight into the strengths and weaknesses, bringing together the metrics and other qualitative and quantitative information.

Appendix 3 – Programme Appraisal Team (PAT) Terms of Reference

1. Introduction

- 1.1. The Programme Appraisal Team (PAT) are WYCA officers who oversee the Assurance Process as projects/programmes progressing through it.
- 1.2. The Assurance Process is part of the Leeds City Region Local Assurance Framework (2017).
- 1.3. The PAT is an internal assurance group and has no formal approval making powers. The PAT make recommendations which are then reported through the current WYCA governance arrangements for a formal decision/approval.

Figure 1: WYCA Assurance Process



2. Objectives of the PAT

- 2.1. Ensure the Leeds City Region Local Assurance Framework principles are applied consistently at all stages of the Assurance Process and to facilitate the progress of projects through Decision Points. This will include:
 - a) Receiving and reviewing project Case Papers and Appraisal Reports from Case Officers and considering Case Officer recommendations at Decision Points.
 - b) Requesting further information/clarifications as appropriate to facilitate recommendations and approvals in accordance with delegations.
 - c) Ensuring that appropriate levels of appraisal, including peer consultation and review, has been undertaken as part overall scheme appraisal.
 - d) Providing Decision Point recommendations/approvals in accordance with delegations.
 - e) Recommending PMO Pathway for projects/programmes once accepted into Stage 2: Pipeline Development.

- f) Receiving and reviewing Exception Reports for projects/programmes where a change falls outside of set tolerances in order to make recommendations in accordance with delegations.
- g) Provide an interface between Leadership Team, Case Officers, and key partners/stakeholders to escalate matters where required, and report to Senior Leadership Team where a decision requires Managing Director approval

3. **How the PAT will operate**

PAT Membership:

- 3.1. The PAT consists of a core membership representing WYCA policy/strategy, delivery, legal, and financial functions.
- 3.2. Meetings will be chaired by the Director of Delivery.

Table 1: PAT Membership

Role on the PAT	Responsibilities on the PAT	Suggested Membership
Director	Chair – to oversee the PAT	Director of Delivery
Feasibility & Assurance	Vice-Chair – to oversee the PAT in absence of the Chair To ensure the principles of the LCR Local Assurance Framework are adhered to. In particular being responsible for the robustness of the Assurance Framework and it's conformity with Green Book (and components of this such as Webtag)	Head of Feasibility & Assurance
Transport Policy	To ensure Projects/Programmes meet SEP Objectives in relation to transport.	Head of Transport Policy
Economic Policy	To ensure Projects/Programmes meet SEP Objectives in relation to economics.	Head of Economic Policy
Finance	To oversee any financial matters	Head of Finance
Legal	To oversee any legal matters	Head of Legal and Governance Services
Research and Intelligence	To ensure all Projects/Programmes are following a robust, effective and proportionate monitoring & evaluation to ensure Project/Programme outcomes and benefits meet SEP Objectives.	Head of Research and Intelligence
PMO	To ensure the principles of the LCR Local Assurance Framework are adhered to. In particular being responsible for the Assurance Process and making sure Projects/Programmes are following the Process and WYCA Governance appropriately.	Head of PMO

PAT Attendance:

- 3.3. The PMO will provide secretariat services to the PAT

- 3.4. Case Officers, independent technical advisers, peer group representatives (including representatives from partner authorities and/or third party private businesses) and other attendees as required will attend the PAT to supplement the decision making process.
- 3.5. The PAT also plays an on-going role in refining and developing the Assurance Processes to improve how it is implemented and in operationalising the Assurance Framework.

Meeting Format

- 3.6. The PAT will meet on a regular cycle (monthly or more frequently subject to the programme) with an agenda based around the Assurance Process Activities. Projects/programmes being discussed at the PAT will be allocated time slots in which discussion and recommendations will be made.
- 3.7. Promoters will attend meetings by invite only. Where a Promoter does attend to present their scheme, they will only be present to their allotted time slot. They will be asked to leave the meeting in advance of any recommendation being made by the PAT.

Records of Meetings

- 3.8. Meetings will be minuted, with draft minutes being circulated to the PAT members after a meeting has taken place. The minutes will be formally agreed and considered signed off at the following meeting.
- 3.9. Actions and recommendations relating to each specific project/programme being discussed will be captured and communicated to Case Officers and Promoters separate to the official minutes.

Conflict of Interest

- 3.10. Where conflict of interest issues arise during a meeting e.g. scheme comes forward for discussion which member of the PAT is the Senior Responsible Officer for, the SRO will leave the meeting and won't be part of any discussions and recommendations in relation to their scheme. Where this happens, this will be minuted.

Making Recommendations

- 3.11. The PAT's recommendations will depend on the Decision Point for any given scheme summarised in the Leeds City Region Local Appraisal Framework.

3.12. The PAT may recommend a scheme to not progress through a Decision Point or for additional information in order for a scheme to progress at any given Decision Point.

3.13. All PAT Recommendations are reported through the current WYCA governance arrangements for a formal decision/approval.

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GLOSSARY

ASR	<p>Appraisal Specification Report:</p> <p>A report produced by the scheme promoter, in conjunction with WYCA, setting out the agreed approach to appraisal of the scheme, as part of the Assurance Process.</p>
AST	<p>Appraisal Summary Table:</p> <p>A summary of the key consequences relating to the environmental, economic and social impacts of a trunk road scheme. They are used to help determine which schemes should proceed and if they do, to decide which options to choose.</p>
BCG	<p>Business Communications Group:</p> <p>A group of people made up of key representatives from organisations in the City Region. They support business growth and act as an advisory group to the LEP Board.</p>
BCR	<p>Benefit Cost Ratio:</p> <p>An indicator used in cost-benefit analysis that attempts to summarise the overall value for money of a project or proposal.</p>
BEIS	<p>Business, Energy and Industrial Strategy:</p> <p>A ministerial department supported by 47 agencies and public bodies. It brings together responsibilities for business, industrial strategy, science, innovation, energy and climate change.</p>
BGP	<p>Business Growth Programme:</p> <p>The department for Business, Energy & Industrial Strategy set up grants for businesses that meet certain requirements. Businesses can apply to the Leeds City Region LEP to obtain these grants.</p>
BIG	<p>Business Innovation and Growth Panel:</p> <p>The panel consists of senior councillors from key businesses and representative bodies across the City Region. The panel reports to the LEP Board and WYCA.</p>
CBA	<p>Cost Benefit Analysis:</p> <p>A systematic approach to estimating the strengths, weaknesses and alternatives for a decision to be made. It involves adding up the benefits of a course of action and then comparing these with the costs associated with it.</p>
CSF	<p>Critical Success Factors:</p> <p>A management term for an element that is necessary for an organisation or project to achieve its goals.</p>
DCLG	<p>Department for Communities and Local Government:</p> <p>A ministerial department supported by 11 agencies and public bodies. They create places to live and work and give more power to local people to shape what happens in their area.</p>

DfT	<p>Department for Transport:</p> <p>A ministerial department supported by 19 agencies and public bodies. They would work with agencies and partners to support the transport network and plan and invest in transport infrastructure.</p>
DoD	<p>Directors of Development:</p> <p>The Directors of Development and Delivery from across all LCR authorities and WYCA.</p>
EoI	<p>Expression of Interest:</p> <p>A document that describes the potential project/ programme requirements and/ or specifications detailing how they would be met.</p>
ERDF	<p>European Regional Development Fund:</p> <p>Aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The ERDF focuses its investments on several key priority areas and is designed to reduce economic, environmental and social problems in urban areas.</p>
ESIF	<p>European Structural and Investment Funds:</p> <p>Includes money from the European Social Fund, European Regional Development Fund and European Agricultural Fund for Rural Development. They apply to projects backed by the ESIF.</p>
EU	<p>European Union:</p> <p>An association of European nations formed in 1993 for the purpose of achieving political and economic integration. Incorporating the European Community, the European Union's member states are Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. In 2016 the United Kingdom voted by referendum to withdraw from membership in the European Union.</p>
EZ	<p>Enterprise Zone:</p> <p>An area in which state incentives such as tax concessions are offered to encourage business investment.</p>
FBC	<p>Full Business Case:</p> <p>A Business Case provides justification for undertaking a project or programme. It evaluates the benefit, cost and risk of alternative options and provides a rationale for the preferred solution.</p>
GPF	<p>Growing Places Fund:</p> <p>Funding from the Department for Communities and Local Government that supports key infrastructure projects designed to unlock wider economic growth, create jobs and build houses in England. This fund comprises of £730 million.</p>
GVA	<p>Gross Value Added:</p> <p>Measures the contribution made to the economy and is a key indicator of the state of the whole economy. It measures the value of goods and services produced in an area.</p>

Green Book	HM Treasury guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project.
HCA	Homes and Communities Agency: A non-departmental public body that is sponsored by the Department for Communities and Local Government. HCA helps create successful communities by making more homes and business premises available to the residents and businesses who need them.
HMT	Her Majesty's Treasury: The government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.
LCC	Leeds City Council: The Local Authority of the City of Leeds in West Yorkshire. It is one of the five metropolitan district councils in West Yorkshire.
LCR	Leeds City Region: Encompasses the eleven Local Authority areas of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York along with North Yorkshire County Council.
LEP	Local Enterprise Partnership: Locally-owned partnerships between Local Authorities and Businesses. They play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs.
LGF	Local Growth Fund: Growth Deal funding provided to Local Enterprise Partnerships for projects that benefit the local area and economy.
LTP	Local Transport Plan: Identify priorities for maintaining and improving local transport systems based on the needs and wants of residents and organisations in the region, and put forward plans of how they will be achieved. These improvements are then given funding to be put into action.
MD	Managing Director: The person who is in overall charge of the running of an organisation or business.
NPV	Net Present Value: The difference between the present value of the future cash flows from an investment and the amount of investment. NPV is used to analyse the profitability of a projected programme or project.
Nolan Principles	The seven principles of public life, which are the basis of the ethical standards expected of public office holders.
OBC	Outline Business Case: This sets out the preliminary thoughts regarding a proposed project/ programme. It contains information needed to help make a decision regarding the implementation of the project/ programme such as envisaged outcomes, benefits and potential risks associated.

Orange Book	HM Treasury guidance for public sector bodies on risk management.
PAT	Programme Appraisal Team: A team formed to ensure compliance with the assurance framework. It is a formal group of WYCA officers who oversee the Assurance Process.
PCR	Project Closure Report: The final document produced for the project and is used by senior management to assess the success of the project, identify best practice for future projects, resolve all open issues and formally close the project.
PIMS	Portfolio Information Management System: A management system used to provide transparency, consistency, efficiency and focus on delivery.
PMO	Portfolio Management Office: The office that prioritises and controls an organisations projects and programmes in line with its strategic objectives and capacity to deliver.
QRA	Quantified Risk Assessment: A structured approach to identifying and understanding the risks associated with hazardous activities. The assessment takes inventory of potential hazards, their likelihood and consequences.
RAG	Red, Amber and Green rating: Also known as the traffic light system and used as a visual cue to project performance.
REM	Regional Econometric Model: Incorporates aspects of four major modelling approaches; Input- Output, General Equilibrium, Econometric, and Economic Geography. It estimates the changes in total regional income and employment.
SEP	Strategic Economic Plan: A long-term plan that shows how the LEP and Local Authorities will grow the economy and how its ambitions will be achieved.
SME	Small and Medium Enterprises: A company is defined as an SME if it has a staff headcount of either <50 (small) or <250 (medium sized). The company also needs to have a turnover or balance sheet total of ≤€10m (small) or ≤€50m (turnover) or ≤€43m (balance sheet) (medium). They represent 99% of all businesses in the EU and can be eligible for support (research funding, innovation funding etc.) and can have reduced fees for EU administrative compliance.
SUD	Sustainable Urban Development: The development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Urban development should be guided by a sustainable planning and management vision that promotes interconnected green space, a multi-modal transportation system, and mixed-use development
UDM	Urban Dynamic Model:

	A simulation of how transport interacts with population, employment and land-use over long periods of time, typically ten years or more. It helps understand how transport could contribute to economic regeneration.
VfM	Value for Money: The most advantageous combination of cost, quality and sustainability to meet customer requirements.
WebTAG	Web-based Transport Appraisal Guidance: Guidance on the conduct of transport studies. It provides advice on how to set objectives and identify problems, develop potential solutions, create a transport model for the appraisal of the alternative solutions and how to conduct an appraisal which meets the department's requirements.
West Yorkshire Transport Levy	An annual levy on the West Yorkshire authorities, which is used to invest in priority projects/programmes across West Yorkshire, helping to deliver a number of key transport priorities.
WYCA	West Yorkshire Combined Authority: A type of local authority exercising transport functions and economic development functions over five West Yorkshire districts; Bradford, Calderdale, Kirklees, Leeds and Wakefield. It is the accountable body for the Leeds City Region LEP.

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