
Report to: Overview and Scrutiny Committee

Date: 23 March 2018

Subject: **Corporate priorities and performance**

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1 Purpose of this report

For the Chair of the Authority to:

- 1.1 Provide Members with an update on current progress against the 2017/18 key performance indicators measuring corporate priorities and to provide details of the work underway to develop performance measures for the 2018/19 financial year.
- 1.2 Provide information on the progress achieved against her priorities for the Combined Authority.

2 Information

Progress against key performance indicators (KPIs)

- 2.1 Over the past eighteen months the West Yorkshire Combined Authority has been progressing its One Organisation programme, establishing new Directorates, structures, ways of working and cultures and behaviours that enable the organisation to deliver on its priorities and objectives for inclusive economic growth in the region.
- 2.2 The Combined Authority's 2017/18 Corporate Plan set out the key business priorities for the current financial year and these were summarised as follows:
 - Do all that we can to help secure a devolution deal encompassing our City Region;
 - Deliver inclusive growth in all that we do; addressing poverty, social exclusion and inequality;
 - Ensure that all of our projects have strong governance and clear, deliverable plans;

- Strengthen our business growth offer - focusing particularly on innovation, productivity and digital;
- Continue our progress towards a more efficient and customer-focused smart ticketing system for our public transport network; and
- Develop a clearer, stronger brand identity for the organisation that supports our ambitions of raising the City Region's profile nationally and internationally.

2.3 In order to understand success in achieving these priorities, the corporate plan for 2017/8 also set out 23 key performance indicators (KPI's) to provide a periodic measure of performance. These were organised by directorate and are presented at **Appendix 1** along with details of progress to date against each of these, as at the end of quarter 3.

2.4 Of the 23 core KPI's presented in the 2017/18 corporate plan, at the end of quarter 3 the position was as follows:

- 11 were rated as 'Green' and considered on track to exceed/meet the target;
- 6 were rated as 'Amber' and as such there is a risk that the target will not be met;
- 4 were rated as 'Red' and are considered to be at significant risk of not being met; and
- 2 were not awarded a rating (one is a 'monitor only' KPI and the other is reliant on annual survey data which is not yet available).

2.5 Further details regarding the four KPI's which were rated as red at the end of quarter 3 are provided below:

- The number of confirmed additional active exporters in the region, realised through marketing and referrals made from the Trade and Investment Team and wider business support services to export delivery partners, remains below the targeted level. There is however a particular issue with regard to obtaining export data from the Department of International Trade (DIT) on the outcome of the 154 referrals that have been made to them through the team during the last year. An alternative way of collecting this export data is now being implemented to identify a robust figure.
- The percentage of concessionary passes ordered online has continued to remain below the target of 65%. As part of the mitigation for this, changes are currently being made to the CHASE card management system in order to improve the online process based on customer feedback received.
- The percentage increase in digital presence and reach across the Combined Authority's communications channels has remained below the target although it has increased. Action is underway to accelerate this increase but resourcing issues earlier in the year have had a significant impact on progress against this target to date.
- The number of apprentices working for the Combined Authority is currently four (although approval for a fifth has recently been secured). The target of 11 is therefore not currently on track to be delivered. Further work is in progress to review the organisational approach to apprenticeships.

- 2.6 A full year end position detailing performance against KPI's will be provided at the end of the 2017/18 financial year and will also be summarised in the 2018/19 corporate plan which is currently in development.
- 2.7 The development of the KPI's for 2017/18 took place within the context of a period of major organisational change when new directorates were in some instances still being formed. As a result of this it is considered that some of the individual performance measures identified could have been targeted more specifically to the overarching priorities set out in the Corporate Plan.
- 2.8 In light of this observation, work has been undertaken in recent months to consider an enhanced approach to the definition, monitoring and reporting of corporate priorities and performance measures in the 2018/19 corporate plan.
- 2.9 The focus for 2018/19 remains on working with our partners to achieve inclusive economic growth, through improving connectivity and housing stock, increasing the number of good quality jobs, encouraging businesses both to grow and to move to the region and increasing the opportunities for young people to access training and employment. It is recognised that a collaborative approach is needed between the Combined Authority, local authorities and wider partners, as the transformational change required to deliver inclusive growth is unable to be achieved in isolation. In order to assess performance in these areas it is proposed that there will be three tiers of corporate indicator for the Combined Authority as follows:
- **Strategic KPI's** - these are being identified as part of the development of the Corporate Plan and will be aligned to the key theme areas around which the Plan is to be structured.
 - **Service level KPI's** – these will be the main tool by which each directorate will monitor progress against their stated service objectives.
 - **Operational Indicators** - to focus on operational performance within each team. It is envisaged that these would link back to the objectives which are set for each individual as part of their regular performance reviews.
- 2.10 Work has been undertaken as part of the 2018/19 business planning process to develop a long list of possible performance measures and this is now in the process of being refined to reflect the categories outlined above. Earlier feedback from this Committee has been considered in compiling these measures.
- 2.11 A copy of the long list of possible performance measures identified to date including KPI's and operational indicators is presented at **Appendix 2**. This is not yet a final list and feedback on them is invited from Overview and Scrutiny Committee members, specifically input on the cross-cutting strategic measures of performance, that Members consider most appropriate to best reflect the organisation's priorities would be particularly welcomed. These could either be from this list or can be put forward by the Committee. This will help to inform a final decision on the KPI's to be used in 2018/19.
- 2.12 In terms of how progress against KPI's is to be reported in 2018/19, it is envisaged that this will form one element of a wider performance reporting

system, which will also include regular reporting against risk, budget position and wider management information (e.g. HR information).

- 2.13 A performance reporting framework setting out the proposed frequency and content of performance reports is in development and will be reported to the April meeting of the Combined Authority.

Progress against the Chair’s priorities

- 2.14 Upon appointment as Chair, Councillor Hinchcliffe set out key priority areas for the Combined Authority. These aligned with the themes of the 2017/18 corporate plan and are set out below, along with the achievement specifically made against them. Similarly to the Combined Authorities corporate KPI’s, these priorities can only be achieved working in partnership with local authorities, the private sector and other key stakeholders in order to deliver the change required to make these priorities a reality.

- 2.15 **More productive** - *As the largest economic area in the country outside London and the South East increasing productivity is in both the Leeds City Region’s interest and the national interest. The UK’s productivity has slumped to its lowest level since the 2008 recession and in Leeds City Region the gap between our productivity rate and the national average is actually widening. That’s why improving local productivity – our output (e.g. products and services) measured against our input (e.g. wages and costs) – is a top priority for the Combined Authority. Our aim is to create a strong successful economy driven by ambitious, productive and successful businesses that create new sources of wealth and opportunity for everyone.*

- 2.16 Progress made on this priority has focussed on working collaboratively with the private sector to transform private sector leadership in the Leeds City Region to tackle the growing productivity gap. The productivity gap is growing between the Leeds City Region, UK and other advanced economies which limits residents’ living standards. As the largest city region outside London, addressing the Leeds City Region’s relatively poor productivity is a major part of the UK answering its productivity puzzle. Widespread progress for firms with less-than-average productivity could potentially unlock the majority of a £10 billion productivity dividend and see firms generating the returns that make paying a real living wage sustainable.

- 2.17 The Combined Authority aims to support and influence in this area, and a private sector led programme of intervention has been developed to assist businesses in collaborating to compete more effectively. This needs to be spearheaded by private sector champions; harness the collective power of business groups, including banks and accountants; and be linked effectively with public business support provision.

- 2.18 Coordinated activity is planned as follows:

Business Leadership	<ul style="list-style-type: none"> • A more joined-up approach to business support so firms are more aware of productivity and their options to act - including a ‘No Wrong Door’ agreement on business support across public and private intermediaries.
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	<ul style="list-style-type: none"> • Better analysis of firms' productivity, including understanding those private sector 'business heroes' who bring to life how firms can improve productivity, and those interventions that work. • Stimulate a widespread understanding that better living standards come from more productive firms and good work.
Good work	<ul style="list-style-type: none"> • More inclusive labour markets with better progression and flexibility – linked to government's activity on 'good work' in response to the Taylor Review of modern employment practices. • Maximise the positive connections between health, jobs and prosperity.
Innovation	<ul style="list-style-type: none"> • Deliver the city region's digital framework, including the ambition that every business becomes a digital firm. • Explore the potential of digital supply chains to increase productivity and transparency. • Impact of the Knowledge Exchange Framework helping businesses to collaborate with universities.
Investment	<ul style="list-style-type: none"> • Champion how infrastructure investment underpins a more productive business environment in Leeds City Region. • Lead a compelling investment proposition leveraging private and public investment (e.g. Research Councils) in making the city region economy more productive. • Ensure inward investment activity drives up productivity – including how landing firms drive increased social value across local supply chains.

2.19 **Growth for the many not the few** – *Our focus is on growing a successful economy and our measure of that success is an economy from which everyone in the City Region benefits. Thanks to the City Region's leading status in certain sectors such as Fintech, Digital Technology, Healthcare & Life Sciences, Manufacturing and Financial & Professional services and its attractiveness as a place to live, we have some of the most prosperous parts of the country. But, we also have some of the most deprived postcodes, where the legacy of post-industrial decline continues to be felt keenly and is reflected in poor health, poor economic prospects, and limited aspirations. Through our work with business and our strong local education sector we want to end in-work poverty by creating more, good quality jobs with prospects for people that are equipped with the right skills to fill them. This is how we will address the challenge of inequality in our City Region.*

2.20 Progress made includes:

- Through the Enterprise in Education team at the Combined Authority, disadvantaged young people are receiving an enhanced offer. The team works in partnership with local authorities to link senior leaders in business with senior leaders in education, to develop a strategic approach to employer engagement, focussing on readiness to work and increasing

employability. As part of the programme, disadvantaged pupils are receiving at least two employer encounters in an academic year, with schools in areas with high levels of deprivation being specifically targeted to be part of the programme. 23,197 new employer encounters were created between April 2017 and March 2018, including 6,361 disadvantaged learners having one intervention and 2,408 disadvantaged learners having two interventions.

- Through Apprenticeship Grants for Employers (AGE) an enhanced grant is paid when employers commit to paying their apprentice living or national minimum wage rather than the apprenticeship minimum wage (£3.50 ph). 806 employers who received AGE grant paid the higher wage (34%).
- The Combined Authority influences the delivery of providers within the region, including further education (FE) colleges, universities, independent training providers and local authorities. A major step in this was the delivery agreements which were developed in conjunction with the West Yorkshire FE colleges. These set out how each institution meets the priorities in the Leeds City Region Employment and Skills Plan, including how disadvantaged groups are supported to increase their skills and realise their potential.
- A framework has been developed in conjunction with Joseph Rowntree Foundation to support the embedding of social value in procurement within the Combined Authority, linking particularly to local employment, apprenticeships and school engagement. To support contractors and employers to employ local people, an employment brokerage model has been developed with DWP and local authorities which will upskill and support people into work.
- Leeds City Region is one of five pilot areas across the country for the DfE funded Career Learning Pilot. The pilot will target people in work, particularly low wage, low skilled and gig economy to upskill. This will be testing in particular outreach i.e. how best to engage and provide advice and guidance to these individuals, and subsidies i.e. does subsidising qualifications, rather than people taking out learning loans, encourage people in work to upskill? An evaluation will be undertaken and outcomes will inform the roll out of the National Retraining Scheme.
- The Work Wellness Service launched in February 2018 within two GP surgeries in York, located in Holgate and Guildhall wards. This social prescribing model pilot will run for one year and aims to target people in work (preferably over 50) who are currently off sick to support them to remain in work and/or return to the workplace.

2.21 A 21st century transport system - *With the right transport investment and connections, the North can become a second economic engine for the UK, competing on a global scale alongside London and the South East. Leeds City Region's economic position as the largest contributor to the Northern Powerhouse, and its geographical location at the heart of the North, make it critical to the Powerhouse's success. And achieving this relies upon Government investment in our region, including HS2, East Coast Mainline and TransPennine rail improvements, and Northern Powerhouse Rail with stops in Bradford, Leeds and York. We also need targeted local investment in high quality, affordable and flexible transport networks that connect people to jobs*

and opportunity. This local investment will also help to ensure Leeds City Region is 'HS2-ready' and 'Northern Powerhouse Rail-prepared' and that these schemes' benefits are felt by all its people and businesses.

2.22 Progress is being made through the Transport Strategy 2040 which was adopted by the Combined Authority in 2017. This recognises that enabling people to access skills and jobs and ensuring the region is strongly connected nationally and internationally requires a modern and efficient transport system which meets current and future requirements. As the statutory transport authority for the region, the Combined Authority has a key role to play in achieving this. Key activities to deliver this strategy as well as progress against this priority, include:

- Improving the rail network in the region - passenger journeys on our network have doubled over the last 10 years, with 35 million journeys being made in our region each year and over 110,000 people passing through Leeds station each day. Following several years of limited investment, new stations are now being facilitated by the Combined Authority together with new rolling stock, bringing a much needed uplift in capacity and quality. Sustaining this investment is crucial to supporting inclusive growth and ensuring people are well connected to job opportunities in town and city centres.
- On 2 March the Transport Secretary announced a £3 billion commitment to deliver the trans-Pennine upgrade, as a result of lobbying from the Combined Authority alongside other key Northern partners. The Combined Authority will continue to seek direct involvement with DfT and Network Rail when assessing the options for the upgrade to ensure the outcomes have the widest possible benefits for the region.
- The Combined Authority is developing a HS2 connectivity strategy to ensure all parts of the region can benefit from the improved connections that HS2 will provide. Inclusive Growth Corridors will connect towns and cities to the HS2 hub station in Leeds, and the recently announced Transforming Cities Fund presents an opportunity to lay the foundations for these corridors.
- The Northern Powerhouse rail link between major cities is essential to the development of the northern economy. The Combined Authority has lobbied strongly, and will continue to do so, to ensure Bradford and Leeds are included in this link and will continue to represent the region's interests in the development of this key new infrastructure.
- The East Coast Main Line will remain as the link to London and the Combined Authority will continue to lobby Government to ensure investment in this key link is delivered, particularly in relation to the recent announcements regarding the franchise.
- Buses remain the most used form of public transport in the region, used by over half a million people each weekday. The Combined Authority funds 15% of bus services ensuring communities retain links to the public transport network; over half of this expenditure serves deprived or isolated communities.
- Investment in buses is the largest element of the Connecting Leeds programme funded by DfT seeking to develop a world class bus system for

the city. The Combined Authority will work with commercial bus operators to deliver the strategy, making use of the new powers under the Bus Services Act 2017 to deliver an affordable and effective bus service for local residents.

- Ensuring our young people have affordable access to public transport is essential to ensure they can access the best opportunities for employment and training our region can offer. The Combined Authority spends £10 million each year to reduce the cost of travel for young people and recently extended eligibility to everyone under the age of 19 - 20,000 young people use this concession daily. The Combined Authority is working with transport operators to provide affordable easy to use tickets for young people with plans to launch a new “go anywhere” day ticket this summer.
- An efficient road network is key to delivering inclusive growth and critical in moving people and goods into and around the region. The Combined Authority will continue to lobby for appropriate funding to be made available to provide the investment needed in the major road network, currently being developed by DfT, working closely with TfN to ensure the network reflects the needs and aspirations of authorities across the region.
- Locally each district highway authority is working together on the West Yorkshire key route network – the roads which connect towns and cities and link us with the motorway network. The West Yorkshire plus York Transport Fund is funding road schemes which open up land for employment and housing, such as the Wakefield Eastern Relief Road which will improve local transport links and unlock the potential to build 2,500 homes.
- Technology is driving change across society including in transport, and West Yorkshire already has the most developed smart ticketing scheme outside London, used by over 200,000 people each weekday. This will continue to evolve into a system which offers customers a flexible way in which they organise and pay for their travel, increasing mobility as a service.
- Improving air quality - the Combined Authority will support its partner Councils as they introduce Clean Air Zones and other measures which improve the health of our region. National funding for the region has already been secured to facilitate electric taxis and to fit emission control equipment on buses and will continue to play a role in making our transport system cleaner.
- Improving traffic congestion – through the Transport Fund we are funding our councils to improve congestion on key road corridors making space for more sustainable modes of transport. We are setting targets to reduce car journeys by 3.5% by increasing use of public transport, cycling and walking.
- The Combined Authority has enabled significant improvements in the infrastructure to encourage more cycling through the City Connect programme. This includes the Cycle Superhighway connecting Bradford and Leeds, giving people along the 23km route access to work, education and leisure opportunities. Since opening in July 2016 it has been used for more than 500,000 journeys and won Project of the Year at the North of England Transport Awards. In addition to this project, key cycleway improvements have been made throughout individual districts including, Castleford to Wakefield Greenway, Huddersfield Narrow Canal and York Scarborough

bridge. The Combined Authority will continue to co-ordinate investment and promotion to increase the number of people cycling.

- All travel includes walking at some point in the journey and the Combined Authority has been working with partner councils to make it more attractive and safe for people to make more journeys on foot.

2.23 **Devolution** - *Devolution works and we have the results in the Leeds City Region that prove it. Devolution ensures that the decisions made on the issues that affect our region are taken in the region by people who know and champion it and it is the essential missing component of us achieving our ambitions. It will enable us to have a stronger voice when securing investment and greater control in directing it to where it is most needed. We have already shown through the programmes we initiate and run here that we can provide better outcomes than a one-size fits all, national approach. Schemes to get young people into education and training, develop new housing and reduce reliance on government grants have delivered results three times faster and with double the impact of similar national programmes. Without devolution, not only will existing services and investment be at risk but our region would fall behind others and lose the opportunity to achieve the growth of which we know we are capable.*

2.24 In the past year, a number of steps have been made towards securing devolution to Leeds City Region:

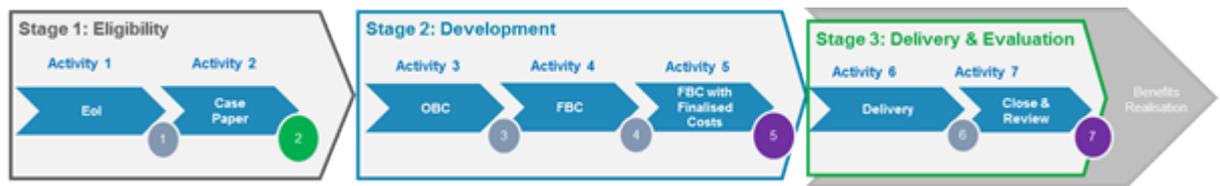
- In February last year, West Yorkshire Combined Authority members noted that a formal response had not been received from Government on the Leeds City Region proposal submitted by in September 2015. They expressed their collective desire to secure a devolution deal and discussed the ongoing challenges, recognising that other options, based on a larger geography, should also be explored.
- Yorkshire's Council leaders began meeting regularly from spring 2017 to discuss a range of issues in common, including options to unlock progress on devolution across the Region.
- 18 of the 20 Yorkshire Leaders formed a coalition under the 'One Yorkshire' banner seeking the widest possible Yorkshire geography covering at least the administrative areas of: Barnsley, Bradford, Calderdale, Craven, Doncaster, East Riding, Hambleton, Harrogate, Hull, Kirklees, Leeds, North Yorkshire, Richmondshire, Scarborough, Selby, Ryedale, Wakefield, and York.
- In response to requests made by Leaders to the Secretary of State for Housing Communities and Local Government for a meeting to discuss their devolution proposals, the Secretary of State agreed to meet Leaders, MPs and other stakeholders at the February meeting of the Yorkshire and Northern Lincolnshire All Party Parliamentary Group.
- Leaders welcomed the Secretary of State's confirmation at the meeting that the Government would not seek to prevent a One Yorkshire proposal based on a Yorkshire Mayor and Combined Authority from taking effect in 2020 providing it satisfied the various statutory requirements and had widespread support. This would include the ability for any of the South Yorkshire authorities to join a One Yorkshire deal from the start.

- The Secretary of State requested detailed proposals and Leaders confirmed that, given the level of agreement achieved across Yorkshire, these could be submitted to the government rapidly.
- One Yorkshire Leaders met on 5 March and agreed to submit their devolution proposition to the Secretary of State and to publish it more widely in the interests of transparency. The submitted proposal is included elsewhere on the agenda.

2.25 **Delivery** - *We have already secured well over £1bn in devolved Government investment through our Growth Deal and our West Yorkshire Plus Transport Fund - the largest such settlement anywhere in the country. West Yorkshire Combined Authority and the Leeds City Region Enterprise Partnership have already approved a total over £106m of local investment and this is already making a massive difference to our City Region. Among recent transport improvements are Bradford's new Low Moor Rail Station, West Yorkshire's third new rail station in 15 months – more than anywhere else in the country - the new 1,000-space Temple Green Park and Ride facility in Leeds and the Wakefield Eastern Relief Road, which is making possible the construction of up to 2,000 much-needed new homes. And, by March next year we will have created 1,550 jobs - and safeguarded 550 more - by helping businesses to grow and attracting new investment into the region – and we will have supported 6,000 disadvantaged pupils to improve their skills and career prospects through enterprise, employability and careers activity. Delivering projects that create thousands of new jobs and help us to accelerate economic growth across the entire City Region is the West Yorkshire Combined Authority and the Leeds City Region Enterprise Partnership's main role. We are already delivering and with £100m of Growth Deal investment committed for this year, we will continue to do so. We will continue to work with partners and seek to accelerate projects and manage any over-programming requirements to enable flexibility in the delivery programme to achieve our targets.*

2.26 Delivery of the Combined Authority's major funding programme, Growth Deal, has increased considerably in recent years, from £38 million spend in 15/16 to an expected out-turn of over £92 million in 17/18. Forecast spend is £102 million for 2018/19. The success of the Growth Deal is the result of strong partnership working in the region, with many projects being delivered by council partners.

2.27 The Leeds City Region Assurance Framework sets out how projects and programmes will be assessed and approved and governance arrangements. This is kept under regular review and over the past year has been embedded such that every project/programme which requires funding through the Combined Authority must be considered and achieve approvals at each stage in the Leeds City Region assurance process. The three stages in the assurance process are eligibility, development and delivery & evaluation as set out below.



- 2.28 Projects at the eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, meet funding criteria and have available funding identified with further project definition including costs and detailed timescales to be developed as the project progresses through the assurance process. At this stage development funding may be sought to enable work to progress.
- 2.29 Projects at development stage should demonstrate that they have tested the feasibility of a solution through their business case. This business case should then be developed in order to confirm and detail the preferred solution including finalising its costs.
- 2.30 Once in the delivery and evaluation stage the scheme is delivered and the Combined Authority funding is drawn down. When delivery is completed a review is carried out to ensure that the scheme has met all its requirements and outputs in accordance with its funding agreement. Finally, information about a scheme's performance following its completion is collected, in order to evaluate the success of the scheme.
- 2.31 The assurance process as outlined for project approvals ensures that the Combined Authority is delivering the right projects, which offer good value for money and deliver outputs which bring benefit to the Leeds City Region. Considerable progress has been made over the year in driving the Growth Deal programme and projects forward to delivery and a total of £137 million of Growth Deal funding was approved in-year in 2017. This included a number of key projects within the Growth Deal programme that have been accelerated, resulting in-year project approvals of £38.84 million to be spent in 2017/18. Resource constraints in developing and delivering major capital infrastructure schemes have been addressed as a priority in 2017/18 with additional capacity and expertise provided through direct recruitment and through specialist contracts with external consultants.
- 2.32 The Portfolio Information Management System (PIMS) is due to roll-out in spring 2018 and refers to the ICT system that will support and strengthen the Assurance Framework. The PIMS will provide a number of benefits including transparency to allow informed and improved decision making both internally and with district partners, a consistent and efficient approach to project management across funding streams and a focus on delivery which facilitates the alignment of projects to the corporate strategy.

3 Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4 Legal Implications

4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

5.1 There are no staffing implications directly arising from this report.

6 External Consultees

6.1 No external consultations have been undertaken.

7 Recommendations

7.1 That Overview and Scrutiny Committee members note the work in progress to develop relevant and robust performance measures for 2018/19 and provide feedback on the long list of key performance indicators that has been developed.

8 Background Documents

None.

9 Appendices

Appendix 1 – Key performance indicators 2017/18

Appendix 2 – Long list of key performance indicators 2018/19