

Report to: West Yorkshire Combined Authority

Date: 14 February 2019

Subject: **Budget and business plan 2019/20**

Director: Angela Taylor, Director of Corporate Services

Author(s): Jon Sheard and Angela Taylor

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

1. Purpose of this report

- 1.1 To consider and approve the proposed revenue budget and transport levy for 2019/20, the indicative capital programme, capital strategy and treasury management statement.
- 1.2 To approve the detailed business plan for 2019/20 that sets out the services, activities and priorities for the organisation in the coming year.

2. Information

Background

- 2.1 West Yorkshire Combined Authority continues to focus on its ambitious plans, seeking to deliver good inclusive growth for the region. Building on its progress in recent years which has seen the organisation reshaped and streamlined in order to best support this aim, the previous year has seen good progress on a number of fronts with successes including:

- Good progress on West Yorkshire plus Transport Fund (WY+TF) schemes, including the regeneration of subways to Wakefield Kirkgate Station, further stages of the A629, consultation on a proposed new station at Elland, rail

station park and ride schemes at Fitzwilliam and Mirfield stations and progress at York Central which will enable the development of up to 2,500 homes.

- Approval to a natural flood management project in the Colne and Calder valleys that will protect 2,071 homes and 1,022 businesses
- improvements through the Better Homes Yorkshire scheme to over 1,320 homes across the City Region to reduce their heating and hot water bills by an average of £300 a year
- Work has started on the creation of the New Bolton Woods urban village near Shipley that will see 145 new homes created and enabling development bringing 1,000 new homes to the area.
- Securing the regional headquarters for Channel 4, bringing opportunities for the independent production sector across the region and generating a £1 billion economic impact over the next decade.
- Further investments in cycling and walking through the CityConnect programme, including the new Scarborough Bridge pedestrian and cycle crossing and canal towpaths in Bradford and Wakefield.
- Introduction of free wifi at bus stations across West Yorkshire
- Supported over 1,000 businesses with free advice and guidance on growing their business
- Engaged with over 500 businesses as part of the Resource Efficiency Fund, to help them deliver carbon savings
- the opening of the Springfield Centre in Dewsbury, providing high quality vocational programmes for students.

2.2 The Combined Authority works alongside the Leeds City Region Enterprise Partnership (LEP) in delivering its aims, with the LEP providing strong and strategic links to business across the region. During 2018/19 government issued its 'Strengthening LEPs' document, setting out further steps to maximise the success of the current LEP arrangements. As a result the Leeds City Region LEP and York, North Yorkshire and East Riding LEP have proposed that their main constituents join together as one LEP from April 2020. If this merger proceeds then the outcome is a strengthened LEP that will build on the success of the current arrangements and increase the LEP's impact in driving economic growth.

2.3 The increased LEP footprint and reach will strengthen the voice of the north in making the case for investment in the region. The current Growth Deal funding – the largest Growth Deal in the country – comes to an end in March 2021 and the size and shape of funding beyond this date is unknown. Short term funding streams supporting skills and business interventions also come to an end during this time period, creating a huge gap in the Combined Authority and LEP's ability to respond in these critical areas. Whilst negotiations continue with government on a devolution deal that would bring significant benefits for the region to build on the successes to date it is still unclear how and when this will be finalised.

2.4 Coupled with this are the challenges on securing the appropriate revenue budget. The Combined Authority is largely funded by a combination of government grants and the transport levy paid by the constituent local authorities – Bradford, Calderdale, Kirklees, Leeds and Wakefield. Local

authorities are facing a difficult funding position as they await the outcome of the fair funding review and the comprehensive spending review in 2021. Meanwhile their funding continues to fall and the demand for their services continues to increase.

- 2.5 In setting its revenue budget the Combined Authority is mindful of these constraints on its partners and is proposing a continuing reduction in the levy contribution paid to it, as well as a short term reprofiling of one of the earmarked reserves. In support of the levy reduction the Combined Authority is also seeking to ensure that it has maximised its opportunities to increase income, reduce expenditure and demonstrate that it is operating as efficiently and effectively as possible. The business plans set out later in this report seek to demonstrate clearly how and where the revenue budget is spent and what services and outcomes are achieved as a result.
- 2.6 The focus for 2019/20 will continue to be on achieving inclusive economic growth, through improving the number of good quality jobs on offer, improving connectivity and increasing opportunities for young people to progress and for businesses to move to and grow within the region. Last year the Combined Authority agreed its three overarching priorities, to which its service provision is aligned – Productivity, inclusive growth and 21st century transport. Progress has also been made this year on the Strategic Economic Plan objective of a zero carbon economy. This includes the approval in December 2018 of the regional Energy Strategy and Delivery Plan which commits to reduce carbon emissions in line with the targets set in the Paris Climate Agreement by 2036. It is therefore proposed that a fourth corporate priority of clean growth is introduced.

Business plan 2019/20

- 2.7 Work has been undertaken to produce a detailed business plan for the Combined Authority for 2019/20, maintaining the focus on the three big objectives agreed for the 2018/19 corporate plan: Productivity, inclusive growth and a 21st century transport system. As set out in paragraph 2.6 above a number of actions addressing carbon reduction have also been identified, and clean growth is therefore included in the business plan as a fourth priority.
- 2.8 In producing their business plans all directorates have been required to demonstrate how their expenditure delivers against the objectives and priorities of the Combined Authority and its partners, demonstrating efficiency and effectiveness and value for money for the services delivered. A clear link through to the four priorities must also be made clear.
- 2.9 **Appendix 1** sets out the proposed business plan for each directorate, demonstrating how they deliver against the organisation's corporate priorities and objectives and, at a summary level, the resources required to do so. Each directorate has also defined a number of key performance indicators that will enable performance to be monitored throughout the year. These indicators build on current levels of achievement to provide an element of stretch, as well

as demonstrating efficiency and value for money. Regular reporting will be undertaken throughout the year.

- 2.10 A public facing corporate plan is being produced for April, drawing on the information in the business plans and presenting this in an accessible way to demonstrate what the Combined Authority and LEP intend to deliver for people in the region in the coming year.

Revenue budget 2019/20

- 2.11 The Combined Authority approved a medium term financial strategy at its meeting in February 2018. This recognised the funding difficulties facing the public sector and acknowledged the need for the Combined Authority to achieve a balanced position whilst reducing the funding from its local authority partners. The strategy included a commitment to reduce the transport levy by £1 million each year and to utilise transport fund reserves to balance the budget for 2018/19 and 2019/20. Over that time period actions would be taken to reduce expenditure, particularly on the provision of bus tendered services such that by 2020/21 the budget would balance without the need to use reserves.
- 2.12 The budget position for 2019/20 has recognised the agreement reached in February 2018 and has been developed through the Combined Authority's Member Budget Working Group, and with input from the Overview and Scrutiny Committee and overview from local authority partner Leaders, Chief Executives and Directors of Finance. This work has enabled the outline budget for 2019/20 to be further developed, taking into account changes that have occurred since the strategy was agreed in February 2018 and agree how to manage new and emerging budget pressures. In reaching the proposed position for 2019/20 and establishing a revised forecast for 2018/19 a number of savings and income targets have been established alongside reductions in expenditure.
- 2.13 The original budget for 2018/19 was approved to use £1.4 million of reserves. Actions taken in the current year have delivered the first tranche of the savings required on bus tendered services whilst minimising impacts on customers. Costs and income have been closely monitored throughout the year and the revised forecast outcome demonstrates that it is expected to be in line with the original approved budget in overall terms. There are some variances within budget lines but the closing position is expected to be a use of reserves of £1.0 million. This is set out in **Appendix 2**.
- 2.14 The proposed revenue budget for 2019/20 is set out in **Appendix 3** and, in line with the agreed strategy, balances income and expenditure to the agreed use of reserves figure of £1.2 million. The following paragraphs consider the key drivers and assumptions for the main budget lines which shape the 2019/20 proposed budget.

- 2.15 **Bus strategy** – The commitment made in the strategy requires a 20% reduction in the cost of bus tendered services over a three year period. This is on top of actions already taken over the last 10 years which have seen the cost of providing bus services reduce by 50% in real terms. These were achieved through both smarter procurement and a continued focus on value for money.
- 2.16 A thorough review of the way in which bus services are provided is underway in order to deliver the required 20% reductions over the three year period of the strategy. In 2018 the Combined Authority's Transport Committee considered the issues around the effectiveness of expenditure on bus services in supporting mobility and approved revised policy guidelines together with a programme of district level bus network reviews. It also approved for consultation revised policy guidelines in respect of home to school services.
- 2.17 Actions taken in the current year in relation to contract awards and amendments have delivered the first tranche of the savings required on bus tendered services whilst minimising impacts on customers. The opportunity to retender some schools services has provided additional savings which assist in contributing to the further savings targets required by 2020/21.
- 2.18 **Concessionary travel** – a significant part of the Combined Authority's budget is spent on the discretionary and statutory elements of the concessionary travel scheme. The costs of the statutory English National Concessionary Travel Scheme for 2018/19 are £46 million and are calculated using a spreadsheet model prescribed by the Department for Transport. This model includes a number of factors, including bus operating costs, so in effect will change each year as inflation affects fuel and salary costs of bus operators. In order to mitigate the potential volatility of these costs arrangements with the major bus operators are in place. The year 2019/20 is the third and final year of the current arrangement and indications at this stage are that there is a fall in patronage which may result in reviewing the thresholds of the agreement to be applied in 2019/20. The assumption in the 2019/20 budget is £46 million with a small reduction forecast for 2020/21. In the absence of any further agreements payments will be made based on actual patronage and the calculated reimbursement rate.
- 2.19 A further £9.5 million per annum is spend on discretionary concessions, predominantly for young people and enables them to travel at half fare up to the age of nineteen. This clearly supports the inclusive growth aims of the Combined Authority and discussions are taking place with bus operators to ensure that maximum benefits are derived from this expenditure. A further £650k is spent on discretionary concessions for seniors on rail and work will be undertaken in the coming year to ensure how this is best aligned with policy outcomes.
- 2.20 **Joint work with bus operators** – there are a number of areas of service provision where the Combined Authority works with the bus operators, including the provision of travel information and the sale and administration of MCards, which is a great value smartcard that makes travelling on buses and

trains a lot simpler. Work has been undertaken to ensure the relative responsibilities of the bus operators and the Combined Authority are understood and that costs are fairly apportioned between them. This has resulted in an increase in income to the Combined Authority in 2019/20 and subsequent years to reflect the current full costs of administering the MCard scheme.

- 2.21 **Transport Services** – as well as the position set out above with regard to bus tendered services and concessionary travel other areas of spend have been examined within the transport services directorate. Costs have already been reduced over recent years by three quarters of a million pounds through efficiencies and staff savings arising from adopting new technology including smart ticketing and moving customers to on-line services. Further savings of over a third of a million pounds per year have already been made in the cost of managing the Combined Authority’s facilities through better contract management and the introduction of an improved more efficient CCTV system. There is also a plan to reduce the operating costs of travel centres within the bus stations with the full impact of this coming into the budget from 2020/21.
- 2.22 **Enterprise Zones** - the LEP has established two Enterprise Zones (EZ), one in Leeds and a multi site one that consists of eight sites along the M62. The business rates earned from these sites accrues to the LEP and is received by the Combined Authority as the accountable body. This continues over the 25 year period since they were established (2013 for Leeds and 2016 for the M62) and is one of the key income streams that has the capacity to grow and assist in establishing a viable revenue budget in future years.
- 2.23 The Leeds EZ has been established for some years and is due to pay over £1.2 million in 2018/19. Forecasts used in budget setting in the last three years have shown strong growth in this income but in reality these increases have been slow to materialise. Since establishing the strategy in February 2018 the forecast income from this site has fallen by £1.6 million for 2019/20. Detailed scrutiny of the pipeline of future development is underway to enable a more robust position to be established, building on the already established baseline of £1.2 million due for 2018/19. This is the first year that the full income on the site accrues to the LEP after some initial investment costs have been recovered by Leeds City Council. Significant growth in this income could for example provide a means by which to fund business and skills projects, or further trade and investment activities, and remove some of the dependence on short term government funding.
- 2.24 The M62 EZ consists of eight sites, only two of which are forecast to make any payments this financial year – Lindley Moor West and South Kirkby. Collectively the sites require significant investment and further development before they can become income generating. Growth Deal funds have been secured as a partial contribution towards these costs and a plan identifying priority sites for investment is under development.
- 2.25 **Capitalisation** - the level of capitalisation ie charging eligible revenue costs to capital schemes was increased for 2018/19, reflecting the growing capital

programme in comparison to the revenue expenditure. Due to the size and shape of the future capital programme a further increase has been made for 2019/20.

- 2.26 **Policy, Strategy and Communications**– a number of posts in the team have been held vacant in the 2018/19 budget in order to manage costs. This is being continued into 2019/20 but will clearly limit the capacity of the team to deliver across the full range of policy areas for the Combined Authority and its district council partners. Additionally there is significant work required to ensure the development of the Local Inclusive Industrial Strategy (LIIS), is underpinned by robust evidence. A compelling strategy will be key to unlocking future funding for the region. Some Government funding has been secured to support this significant piece of work but it is likely that further resources will be required and some allowance has been made in the 2019/20 budget to ensure this work is prioritised. Should the proposed LEP merger proceed then the work required to produce the LIIS will increase.
- 2.27 **LEP merger** – the proposed merger between the main constituents of the Leeds City Region LEP and the York, North Yorkshire and East Riding LEP will be considered by the two LEP Boards at their March meeting. Government funding of £200k has been secured by each LEP to support the work required, should approval be given to proceed, to establish new ways of working for the new merged organisation and put in place the right governance and practical arrangements.
- 2.28 **Rail** – the concerns with the performance of the local rail network is requiring a marked increase in work from the current rail team to address issues and consider future plans. A short term increase in the team is planned for 2019/20 to assist with this work. Current work on supporting the rail franchise is funded from government via the rail administration grant arrangements which are under review and may result in a loss of income in future years. The Combined Authority is pressing for retention of this funding.
- 2.29 **Trade and Investment** – external funding is being sought to continue the Key Account Manager posts currently provided through external funding and if this bid is unsuccessful these costs would need to be met from revenue budgets. There is a clear need to ensure post Brexit that there is sufficient resource to continue to build on the successes of recent engagements with China and India for and that the team is able to respond on behalf of the region to opportunities.
- 2.30 **Pay and pension** – the triennial pension valuation will be undertaken during 2019 and will have an impact on ongoing employer contributions from 2020/21. At this stage it has been assumed that contributions will remain unchanged.
- 2.31 The pay award has been agreed for both 2018/19 and 2019/20 and these costs have been included in the attached revenue budgets. During the pay negotiations it became apparent that there may be benefit in reviewing the pay structure in place at the Combined Authority. Work on this will be progressed

during 2019 with the assumption that any costs arising will be managed within the overall staffing budget.

- 2.32 The proposed budget includes a savings target of £1.05 million against staffing costs. This is based on savings against budget that will arise as a result of the timing gap between employees leaving and their replacements starting work, as well as the savings secured by purposefully not filling the full establishment of the policy and strategy teams. The Combined Authority has over recent years been undergoing a review of its staffing structures and now that these revised structures are largely agreed and in place staffing costs can be forecast with greater accuracy.
- 2.33 **Commercialisation** – the Combined Authority owns a portfolio of operational property asset, largely the bus stations in West Yorkshire and some land and property acquired for previous transport schemes. An asset management strategy is in development. In parallel with this opportunities are being sought to maximise commercial rents from the portfolio and to identify the longer term scope to realise any redevelopment potential. The proposed revenue budget includes increased targets for tenant income at the main premises, as well as income from toilet charging which has been introduced at the larger bus stations.
- 2.34 **Other income streams** – the Combined Authority continues to seek and be awarded further funding, much of which is short term and only confirmed on an annual basis. All of this confirmed funding has been built into the 2019/20 budget. At this point the continuation of this funding beyond 2019/20 is unclear and gives rise to a budget gap of up to £3 million should the Combined Authority and LEP wish to continue providing the services funded in this way. This ‘cliff edge’ scenario of short term funding coming to an end for business support programmes in particular continues to cause ongoing challenges in planning the delivery of these key programmes.
- 2.35 **Borrowing costs** – An indicative three year capital programme and statement of available funding have been prepared and are considered in more detail later in this paper. A significant number of new schemes have achieved decision point 2 of the assurance framework and have therefore passed the eligibility threshold for inclusion in the capital programme. Much of the current Growth Deal funding which makes up the largest element of the capital funding available concludes in March 2021. There is an ongoing income stream beyond this date of £40 million per annum for the West Yorkshire plus York Transport Fund (WY+TF), to be supplemented by borrowing in accordance with the original City Deal agreed in 2012, but it is expected there will still be a requirement beyond 2021 for a broader capital programme that would need to be supported by borrowing or yet to be identified funding streams. The call for projects undertaken in 2018 sought to ensure priority projects identified since the original Growth Deal schemes were identified could be included in the programme and recognised that borrowing may be required to manage any over programming arising.

- 2.36 The detailed WY+TF programme is verified by local authority partners delivering the individual projects and highlights a borrowing requirement from 2019/20 onwards. The estimated revenue costs of supporting this borrowing, which is predominantly for the WY+TF, are reflected in the final proposed budget in today's report, and are to be funded from the Transport Fund reserve. It is intended to utilise the Transport Fund reserve to support these costs but once these are applied it must be noted that there will be an ongoing long term commitment to meet the costs of the borrowing entered into. The Transport Fund reserve currently has sufficient funds to meet these initial borrowing costs and it is therefore proposed that a rebate back to local authority partners of £2 million is made for each of the next two years. Ongoing review of the capital programme and borrowing requirements will continue and the scale of contributions to the reserve will be reconsidered each year as part of the annual budget discussions.
- 2.37 **Living wage foundation accreditation** – the Combined Authority ensures no employee is paid less than the real living wage. As part of its work on social inclusion consideration will be given as to whether to pursue the full Living Wage Foundation accreditation. This would require the Combined Authority to ensure its contractors and sub-contractors all pay their employees no less than the real living wage. Further work will be undertaken in 2019/20 to establish the potential financial costs of doing this, alongside the wider inclusive growth benefits of doing so. This will be undertaken using existing resources.

Reserves policy

- 2.38 Any budget proposals should be supported by an appropriate reserves policy. Good practice is that such a policy should be based on a risk assessment of the different areas of spend and income and as such will vary from year to year and from organisation to organisation. The workings for this year's reserves policy are set out in **Table 1** below and are based on the approach taken in previous years with an updated assessment of the relative risks.

Table 1 - Reserves Policy	Budget 2019-20 £m	Reserves 2019-20 £m
Risk on Concessions	56.42	
3% contingency for volatility of payments: no agreements in place with operators as paying on SMART data		1.69
Risk on Subsidised Bus services	16.77	
3% contingency due to inflation higher than budget		0.50
50% Risk of not reducing budget/unintended reactions from operators		0.70
Risk on other areas of spend		
Passenger & Bus Station Services (net)	6.95	
Trade and Inward Investment	0.95	
Policy, Strategy and Communications	5.59	
Financing (net)	5.47	
Resources	5.71	
	<u>24.67</u>	
Risk of inflation increases/capacity demands etc at 3%		0.74
Risk on income		
Risk that income falls short of expectations (eg Enterprise Zone receipts)		0.50
Total reserves required		<u>4.14</u>

- 2.39 The closing general reserves position for 2018/19 is currently forecast to be £4.2m, although it is intended to seek to increase this level further through in year savings/ efficiencies in the remaining months. For 2019/20 the budgeted assumption is that £1.2m of reserves are required reducing the general reserve to £2.1m – which would be below the level assumed in the reserve policy workings (**Table 1** above). In line with the decision made in February 2018 regarding the medium term financial strategy to protect the general reserves at the required level, it is proposed that a transfer is made from the WY+TF reserve in the short term to maintain the general reserves at the minimum level. The general reserves policy will be kept under review to ensure it is kept at an optimum level to best meet the needs of both the Combined Authority and the West Yorkshire local authorities.
- 2.40 The WY+TF reserve was established to enable effective management of the borrowing costs of the WY+TF and to avoid the need for sudden increases in funding. The spend profile of the projects has shifted since the contributions were agreed, enabling some flexibility in the short term to support the general reserves as set out whilst noting that there is still a considerable commitment to meet borrowing costs in coming years as part of the City Deal agreement. **Table 2** below provides a summary of the reserve position.

Reserves - Table 2

	Balance as at 31/3/19 £	2019/20 Additions £	2019/20 Rebate £	2019/20 Applied £	Balance as at 31/3/20 £	2020/21 Additions £	2020/21 Rebate £	2020/21 Applied £	Balance as at 31/3/21 £
General Reserves	(4,217,277)				(4,217,277)				(4,217,277)
WY+ TF	(30,627,026)	(6,176,598)	2,166,000	1,198,646	(33,438,978)	(6,176,598)	2,166,000	0	(37,449,576)
Total	(34,844,303)	(6,176,598)	2,166,000	1,198,646	(37,656,255)	(6,176,598)	2,166,000	0	(41,666,853)

Notes

1. The rebates in 2019/20 and 2020/21 from the WY + TF are the agreed amounts for the WY districts (£2m) and York (£0.166m).
2. The 'Applied' against WY+TF Reserves in 2019/20 & 2020/21 is the proposed Revenue budget deficit for each year (subject to CA approval in Feb 2019).

Transport levy

- 2.41 The Combined Authority is required to set the transport levy annually and in accordance with the regulations meaning that the levy must be set by 15 February in the year preceding that to which the levy applies.
- 2.42 Adjustments have been made to the levy for a number of years to enable an equitable distribution of funding that has been paid to local authorities when formerly it was paid directly to the Combined Authority (and the former West Yorkshire Integrated Transport Authority). This includes for example concessionary fares funding that was paid to the partner authorities on a different formula basis than population. These adjustments were agreed with them and ensure that they each 'passported' through to the Combined Authority any relevant direct funding received. The mechanism involves setting a gross levy and providing a rebate to each local authority in the year to compensate for any over-recovery. In order to ensure consistency in respective levy payments these agreements have been presumed to continue for 2019/20.
- 2.43 **Table 3** below sets out the net and gross levy by population, in accordance with the regulations, showing the effect of the decrease of £1m and the change in the population base which this year is relatively insignificant.

	Relevant Population June'17 for 2019/20	Net 2018/19 £000	Gross 2019/20 £000	% of levy By District %	Refund 2019/20 £000	Net 2019/20 £000	Rebate (£2m) 2019/20 £
Bradford	534,800	23,448,690	24,108,520	23.18%	928,249	23,180,271	468,759
Calderdale	209,454	8,980,742	9,442,083	9.08%	582,523	8,859,560	179,161
Kirklees	437,145	18,407,122	19,706,281	18.95%	1,528,687	18,177,594	367,593
Leeds	784,846	33,755,755	35,380,471	34.02%	1,946,435	33,434,036	676,114
Wakefield	340,790	15,308,279	15,362,645	14.77%	113,517	15,249,127	308,373
	2,307,035	99,900,587	104,000,000	100.00%	5,099,411	98,900,588	2,000,000

- 2.44 Also included in **Table 3** is the proposed part rebate of previously received contributions towards the Transport Fund reserve. The proposal is to rebate £2 million for the next two financial years whilst the requirement for borrowing against the capital programme is building up.

- 2.45 In accordance with the regulations District Councils will be notified of the transport levy by mid-February and will make payments to the WYCA in ten monthly instalments from 1 April 2018.

Capital strategy

- 2.46 One of the outcomes of the recent review by the Chartered Institute of Public Finance and Accountancy (CIPFA) of the Treasury Management Code of Practice and the Prudential Code requires authorities to have in place a capital strategy. This should set out the long term context in which capital expenditure and investment decisions are made, giving due regard to both risk and reward and impact on the achievement of priority outcomes. This capital strategy should form a part of an authority's integrated revenue, capital and balance sheet planning.
- 2.47 An initial strategy is in development and it is proposed this is considered in more detail by the Governance and Audit Committee and brought to a future meeting of the Combined Authority for approval. The following section on the capital programme considers the capital plans in more detail.

Capital programme

- 2.48 The following paragraphs set out the capital funding available to the Combined Authority for 2019/20 and subsequent years and the indicative capital programme for which this funding will be used. It reflects the impact of the way in which the Department for Transport (DfT) provides capital funding, most notably the devolution of the major scheme funding and the topslice of Local Transport Plan Integrated Transport (LTP) block funding to the WY+TF element of the regional Growth Deals. It also sets out information regarding Growth Deal funding for the region awarded to the LEP, for which the Combined Authority is the accountable body. Whilst this provides significant sums for investment in interventions there are also requirements to ensure grant conditions are met, including an unwritten requirement to spend in year and this necessitates a review of funding and expenditure to ensure the most effective and efficient use of resources to ensure delivery of key priorities alongside maximising the funding available.
- 2.49 In previous years, following discussions with the Investment Committee, and considering the flexibility granted from Government, the Combined Authority endorsed the approach whereby at the year end the available funding was applied to appropriate capital schemes in a way to maximise the use of time limited funding and reduce the risk of funding being clawed back or reduced in future years. This enabled certain funding streams to be carried forward to this and subsequent years in order to optimise the delivery of the portfolio of approved projects. It is proposed that a similar approach is taken for 2018/19 and that this be kept under review as part of the year end closedown work.
- 2.50 **Table 4** below sets out the capital expenditure and funding estimates for the period 2018/19 to 2021/22.

Summary Capital Programme

Table 4

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Expenditure per programme				
Local Transport Plan	9,335	20,000	19,093	13,104
Highways Maintenance Plan	34,630	32,320	31,550	31,550
Major scheme Expenditure	1,905	6,971	712	119
Non LTP Funding (transport)	20,412	76,005	81,725	17,614
Growth Deal (WY+ TF)	84,878	121,603	159,275	200,696
Other economic growth funding	12,124	6,386	3,172	4,072
Total Expenditure	163,284	263,285	295,527	267,155
Financing				
LTP Grant	13,104	13,104	13,104	13,104
LTP Grant carry forward	9,116	12,885	5,989	
Highways Maintenance Plan	31,550	31,550	31,550	31,550
Non LTP Funding (Excluding Majors)	2,810	63,773	81,725	17,775
Growth Deal, Economy & WY+ TF	74,349	73,510	100,340	40,000
Other economic growth funding	11,458	6,826	3,024	1,306
Carry forward	107,494	75,933	18,873	18,725
Borrowing requirement	2,221	10,566	59,647	160,815
Total Funding Available	252,102	288,147	314,252	283,275

- 2.51 The most recent LTP settlement letter issued by the DfT (Roads Funding – Moving Britain Ahead in November 2018) confirmed the figures for 2018/19 and provided indicative allocations for 2019/20 with regards to the Integrated Transport Block and the Highways Maintenance Block (needs element). Though not yet confirmed, the 2019/20 budget includes best estimates for the Pothole Action Fund and Highways Maintenance Block (incentive element). The Combined Authority is determined by DfT to be the accountable body in West Yorkshire and funding will be allocated and paid to it.
- 2.52 The Highways Maintenance allocations and Pothole Action Fund are made in full to District Councils with the funding received by the Combined Authority paid over to the Districts via quarterly payments, as determined by the DfT’s formulaic allocation. Given this money is effectively simply passported through to the local authorities it is not required to be progressed through the assurance framework and it is proposed that approval is given via this report for the expenditure to be incurred via the usual quarterly payments. The values (though some indicative) are set out in **Table 5** It is proposed that the Director, Resources as s73 Officer, be authorised to approve revised payments should final confirmed sums by DfT differ from those indicative ones set out below.

Table 5

	Pothole Action Fund		Highways Maintenance Needs Based	Highways Maintenance Incentive	Integrated Transport Block
	2018/19 £m Confirmed	2019/20 £m Indicative	2019/20 £m Confirmed	2019/20 £m Indicative	2019/20 £m Confirmed
West Yorkshire	1.594	1.594	23.507	4.935	13.104
Bradford	0.305	0.305	4.971	1.043	-
Calderdale	0.198	0.198	3.171	0.666	-
Kirklees	0.323	0.323	4.921	1.033	-
Leeds	0.508	0.508	7.001	1.470	-
Wakefield	0.260	0.260	3.441	0.723	-

- 2.53 The capital programme includes the approved allocations for the 'Call for Projects' that were given indicative approval in February 2018 and were assessed as deliverable by 2021. Delivery in full of these projects would exceed the current funding available and the funding table therefore recognises a borrowing requirement in future years to fund the full programme.
- 2.54 Ongoing financial monitoring and planning will enable updates to be provided on the affordability of the programme and the appetite to support the required level of borrowing which is envisaged to be required. In accordance with the City Deal funding for schemes is partly through government grant but is also required to be supported through local contributions, which has previously been agreed as a levy supporting borrowing costs. The mismatch between the funding and expenditure will therefore be addressed through borrowing, and indicative figures are set out in **Table 4**. The release of funding through the Growth Deal to support the WY+TF from 2020/21 onwards is dependent on the outcome of regular independent reviews. These are expected to initially focus on expenditure against forecast with later reviews considering whether the stated aims and objectives have been achieved.
- 2.55 The release of funding to progress projects is subject to the Combined Authority's assurance process. The assurance process is updated annually to reflect latest government guidance and any changes within the LEP and Combined Authority. The Investment Committee will continue to be a key part of the process whereby Growth Deal and other projects are considered and recommended for progression from initial idea through to delivery / construction. Additionally, in December 2018 the Combined Authority agreed certain approval powers for the Investment Committee (subject to annual review). It is also proposed that the arrangement in place for 2018/19 whereby Transport Committee approve Integrated Block funded projects up to a value of £3m is continued for 2019/20, with reporting to the Combined Authority of such decisions, as with the Investment Committee.

Treasury management

- 2.56 The treasury management function is undertaken in conjunction with Leeds City Council under the terms of a service level agreement. The Combined Authority is required to prepare an annual prudential statement, setting out treasury activity in the year, the arrangements in place and details of the funding position. This is set out in full in **Appendix 4**.

Summary

- 2.57 Members are asked to consider the proposed budget and business plan for 2019/20 and accompanying recommendations.

3. Inclusive Growth Implications

- 3.1 Inclusive growth is one of the Combined Authority's corporate priorities. As such many of the activities funded by the proposed budget will support the

inclusive growth agenda. This is set out in more detail in the business plans included at **Appendix 1**.

4. Financial Implications

4.1 As this is a budget report all financial implications are set out throughout the main body of the report.

5. Legal Implications

5.1 The Combined Authority is required by the levying regulations to set the transport levy for 2019/20 by 15 February 2019.

5.2 It has not been possible to provide the statutory 28 days' notice of the key decisions being considered due to an administrative oversight. However, in accordance with the Combined Authority's Access to Information Annex to the Procedure Standing Orders part 1 section 7C – General Exception, the Chair of the Overview and Scrutiny Committee has been notified, notification has been published on the Authority's website and 5 clear days has elapsed following the day of publication of the notice. Accordingly, as set out in the General Exception, the Combined Authority may still make the decisions.

6. Staffing Implications

6.1 The budget includes the costs and funding for current approved establishment and the associated employer on-costs.

7. External Consultees

7.1 No external consultations have been undertaken. Information on the budget position has been shared with members of the public via the internet.

8. Recommendations

8.1 That approval be given to the Combined Authority revised budget / forecast for 2018/19 and the proposed budget for 2019/20.

8.2 That approval be given to the indicative capital programme for 2018/19 – 2021/22.

8.3 That approval be given to the 2019/20 business plan.

8.4 That the Transport Committee be delegated to approve individual schemes within the integrated transport block of the 2019/20 capital programme up to a maximum cost of £3m.

8.5 That in accordance with the powers contained in the Local Government Finance Act 1988 (as amended) and by virtue of article 9(6) of the West Yorkshire Combined Authority Order and the Transport Levying Bodies

Regulations 2015 (as amended) a levy of £104m be determined for the year ended 31 March 2020.

- 8.6 That the Director, Resources be authorised to issue the levy letter in respect of the financial year ending 31 March 2020 to the five District Councils in West Yorkshire.
- 8.7 That a payment of £5.09 million and of £2 million be made to the District Councils in accordance with Table 3 of the report.
- 8.8 That authorisation be given to the Director, Resources to arrange appropriate funding for all expenditure in 2018/19 and 2019/20 subject to statutory limitation, including the most appropriate application of capital funding as set out in the report.
- 8.9 That approval be made to the expenditure of highways maintenance funding of £28.442 million and the pothole action fund of £1.594 million, to be paid quarterly to the West Yorkshire local authorities in accordance with the DfT formula, and for Director, Resources to vary these amounts should DfT revise the payments from those provisionally indicated.
- 8.10 That approval be given to the continuing of the policy, effective from 2017/18, for recovering the Combined Authority costs of managing the capital programme against the capital programme spend being mainly Growth Deal, Leeds Public Transport Investment Programme and Local Transport Plan Integrated Transport. For 2019/20 the estimated total value is £7.8 million (2% - 3%).
- 8.11 That the adoption of the CIPFA Code of Practice for Treasury Management in Public Services be reaffirmed.
- 8.12 That the treasury management policy as set out in **Appendix 4** be approved.
- 8.13 That the prudential limits for the next three years as set out in **Appendix 4** be adopted.

9. Background Documents

- 9.1 None.

10. Appendices

Appendix 1 – 2019/20 business plan

Appendix 2 – 2018/19 revised forecast revenue budget

Appendix 3 – 2019/20 proposed revenue budget

Appendix 4 – Treasury management statement

Item 9 Appendix 1: Business Plan Summary

Introduction to the 2019/20 West Yorkshire Combined Authority Corporate Plan

This plan sets out what the Combined Authority, as an organisation, plans to achieve in 2019/20 to contribute to the overarching goals of the Leeds City Region Enterprise Partnership and the Combined Authority itself.

These overarching goals can be encapsulated into the following four elements:

1. Boosting productivity - developing a productive economy that recaptures the spirit of enterprise and innovation that first shaped our region
2. Delivering 21st Century Transport - building a modern, accessible transport network that supports prosperity, job creation and quality of life
3. Enabling inclusive growth - that works for everyone
4. Supporting clean growth - to enable sustainable development and help tackle poor air quality and climate change¹

The following sections set out what each of the organisation's five Directorates will accomplish towards these four goals above. The headline objectives under these goals are as follows:

Boosting productivity

- Deliver 250 projects with projected spend of £105 million over the year – with 16 projects completing on the ground;
- Continue delivering development projects for our Enterprise Zones
- Support 3,000 businesses to grow through measures including individual support and grants
- Attracting and supporting 30 new companies to invest in the city region, 15 beyond the core city. Work with 120 existing overseas-owned companies to help their expansion in the city region.
- Helping 1,000 individuals upskill in sectors of skill shortage.
- Produce a new 'Local Inclusive Industrial Strategy' for the LEP area;
- Review and extend the LEP's pioneering Productivity Pilot to more companies who are investing in technology to boost productivity

Delivering 21st Century transport

- Continue the delivery of 27 projects within the Connecting Leeds programme with spend of £60 million over the year.
- Deliver £60 million of transport infrastructure projects funded through the Transport Fund and commence a pipeline of projects funded through the Transforming Cities Fund.
- Continue to deliver innovation in the way people plan and pay for their travel through the Smart Ticketing programme.
- Deliver a new Alliance with bus operators to deliver better and affordable services for passengers;
- Ensure city region rail and road priorities are captured within the plans of Transport for the North, and influence rail operation as far as able.

¹ We are proposing this is a fourth objective if the Boards agree.

Enabling inclusive growth

- Complete projects to connect 5,277 properties to superfast broadband.
- 90% of business growth programme grant recipients contributing to inclusive growth outcomes
- Support 18,000 disadvantaged students to improve their career readiness
- Influence 1,000 businesses to engage with education, apprenticeships and sector skills initiatives, of which we expect 800 new businesses to offer apprenticeships
- Further embed social value requirements in the Combined Authority's procurement of projects and services

Enabling Clean growth

- Put in place a programme to help deliver zero carbon for the city region by 2036
- Complete projects to warm 750 homes.
- Continue the delivery of 7 flood prevention schemes.
- Deliver Travel Plan Network with a target of recruiting 96 new employer members committing to more sustainable travel for employees.
- Deliver Resource Efficiency Fund programme, supporting 88 businesses to reduce energy, water and waste.
- Adopt and embed a new Corporate Sustainability policy for the Combined Authority

Alongside this, we have an ambitious programme of internal transformation, that aims to deepen our level of partnership working, strengthen our monitoring and evaluation capabilities, overhaul and modernise our Information Technology systems, modernise our accommodation and working practices and continue to enhance our accountability and transparency to our stakeholders, especially users of our services and citizens of the city region.

Following the publication of the government's 'Strengthening LEPs' document, which seeks to maximise the success of the current LEP arrangements, the Leeds City Region LEP and York, North Yorkshire and East Riding LEP have proposed that their main constituents join together as one LEP from April 2020. If this merger proceeds then the outcome is a strengthened LEP that will build on the success of the current arrangements and increase the LEP's impact in driving economic growth. In 2019/20 there will therefore be an intensive period of activity in order to develop the detailed arrangements for the proposed merger.

Measuring our performance

The organisation has a set of overarching performance indicators and a range of performance information is reported regularly to the LEP and Combined Authority. Each Directorate also has a series of more detailed metrics to help assess performance against the business plan and overall corporate efficiency. These also form part of the business plans alongside headline financial and budget information.

[end]

Policy, Strategy and Communications: 2019/20 Draft Business Plan Summary**POLICY, STRATEGY AND COMMUNICATIONS VISION****Leading Thinking; Empowering the region**

To be the “Best in Class”. To develop a leading, inclusive industrial strategy; a radically new economic and public policy framework for Leeds City Region; a new vision for the kind of place we want the City Region to be; to secure a devolution deal; to agree a long term funding settlement with Government; and to make the region known nationally and globally as a place where everyone can build great businesses, careers and lives, supported by world-class transport, housing and digital connections.

2019/20 Policy, Strategy and Communications overview

1. Leading thinking, and carrying out detailed evidence-based policy development work, to help regional leaders to achieve their long term objectives to improve prosperity and living standards for people across West Yorkshire and the Leeds City Region;
2. Leading thinking to deliver extraordinary economic growth, improved productivity, and world-class skills, including developing a Local Inclusive Industrial Strategy as part of new Policy Framework, of a quality and ambition that helps to unlock the potential of the region and enhances its status as a national and international economic centre;
3. Leading work with partners to bring game-changing devolved powers and investment to the region;
4. Leading thinking on, and securing funding for, transformational 21st century connectivity infrastructure, which will unlock opportunity by enabling people to move around the region and enable easy and swift travel nationally and internationally;
5. Leading thinking on approaches to place making which transform residents’ lives through greater opportunity, and is community driven, visionary, and inclusive to create places which are dynamic and adaptable.
6. Leading thinking on and develop programmes of activity to deliver the city region’s zero carbon energy economy ambition by 2036;
7. Providing a fit for purpose data and intelligence infrastructure to support the organisation’s business plan objectives and to ensure that our analysis capabilities and research tools can support the needs of delivery teams;
8. Delivering a positive profile of the organisation, our partners and region to international, national, regional and local audiences - ranging from the media, our communities, and businesses, to international investors, National Government decision makers and specific influencers. All to encourage investment in our region and greater opportunity for those who live and work here. Also to enhance confidence in the Combined Authority, the LEP and its partners to more readily achieve our strategic objectives;
9. Engaging with people, communities and businesses to ensure that our policies are shaped by local views and local evidence;
10. Leading on strategic engagement with key regional, national and international audiences and influencers to secure our Inclusive Growth, Strategic Transport investment, Devolution, Investment and Productivity aims;
11. Delivering marketing projects and campaigns that directly support our aims and objectives and the services we offer.

The above work is **delivered** by three services:

12. A **Strategy and Policy** service (led by Heads of Transport and Economic Policy, and Research and Intelligence). The team is flat and flexible, consisting of Managers who own specific areas, supported by a team who can flex and surge depending on priorities. The team is organised around clusters shaped by the organisation's Policy Framework – Transport and Connectivity, Place, and Business and Workforce;
13. A **Research and Intelligence team** led by a Head of Research and Intelligence, who support the whole organisation with research, analysis, data, intelligence, appraisal and evaluation;
14. A **Communications and Marketing** service led by a Head of Communications consisting of a flat structure of Communications managers with a flexible pool of Communications, Engagement & Marketing officers that can work across different needs and projects as required. The teams cover all aspects of a modern communications function for the whole organisation including - External Affairs and Media Relations, Marketing, Internal Communications, Public Engagement, Digital Marketing & Communications, Design and project-specific teams such as City Connect, Skills and Trade & Investment.

2019/20 Team Priorities

2019/20 Strategy Priorities

Strengthen our local powers and secure finance to maintain and enhance the CA and LEP's investment in the region, by continuing to make the case for devolution, and successfully securing additional external funding to support delivery of our growth ambitions.

Development over the course of 2019/20 of a single, bold City Region Strategic Framework (including the development of Local Inclusive Industrial Strategy) which will be owned by both the LEP and CA with inclusive growth at its core (This will be an agile, long-term framework aimed at driving growth, boosting productivity and earning power for a post 2030 economy. This will be produced in partnership with key stakeholders including Districts, Universities, and business representative groups)

Develop a performance and outcomes framework which aligns with the policy framework and enables us to track our progress towards our long term strategic aims.

Maximise the delivery of the current ESIF programme to 2020, by ensuring that we allocate the full sum of money to support our priorities.

Influence the future shape and size of the UK Shared Prosperity Fund, secure our proportionate share of it, and lead on its strategic implementation.

In collaboration with York and North Yorkshire LEP, **lead the creation of a new LEP covering West and North Yorkshire by March 2020**

Influencing pan-northern economic policy: Development and implementation of the NP11 policy and research programme (policy advisory role to LEP Chair and wider group)

2019/20 Business, workforce and productivity priorities:

Drive improved productivity across the City Region's business base and ensure the benefits result in an inclusive economy, with proposals to enhance the region's digital and innovation capabilities and improved skills, by developing ambitious proposals to improve productivity, deliver a Digital Framework and develop a strategy for innovation.

Develop proposals to support extraordinary economic growth and enhance the region's business base and job creation, including on business finance and inward investment

<p>Conduct a review of the local skills system to assess the current performance of the system, identify future challenges, set out a coherent blue print for a reformed system that can meet needs more effectively at both local and national level, inform the national policy debate; and develop the CA's thinking around the powers and responsibilities.</p>
<p>Develop with partners specific elements of sub regional public policy including on health and social care, children and young people and inclusive growth</p>
<p>Make progress towards providing a City Region narrative for culture and citizen experience and ensuring this is embedded across the strategic policy framework, adding value to local approaches and influencing future funding frameworks.</p>
<p>2019/20 Place priorities:</p>
<p>Support delivery of housing growth with partner districts, creating inclusive connected neighbourhoods for towns and cities of the future, developing a stronger strategic collaboration with Homes England to maximise both public and private investment to accelerate and bring forward additional new opportunities in order to build close to 13,000 homes a year; work across organisational boundaries to achieve housing growth which delivers the desired outcomes of connectivity, economic development, spreading prosperity across the city region.</p>
<p>Develop approaches to place making which capitalize on local community assets, puts people first, where quality of place is as important as quantum and where new housing offers a good choice in places where people choose to live which creates spaces that promote health, happiness and wellbeing.</p>
<p>Drive clean growth across the Combined Authority and City Region, including delivering the Energy Strategy and Delivery Plan, Green and Blue Infrastructure Strategy and Delivery Plan, Clean Growth audit and the development of a new corporate programme – in order to deliver the zero carbon energy economy ambition by 2036</p>
<p>Ensure alignment of Local Plan spatial priorities with strategic spatial priorities and strategic infrastructure investment decisions, working with partner councils and enhancing joint working arrangements and developing joint evidence.</p>
<p>To develop, and secure funding for, the next phase of full fibre infrastructure delivery to connect homes and businesses and support the future roll out of 5G mobile technology.</p>
<p>To develop an ambitious pipeline of Flood Risk Management schemes for the next 6 year funding period from 2021/22, working collaboratively with partners including the Environment Agency, Yorkshire Regional Flood and Coastal Committee YRFCC and Yorkshire Water.</p>
<p>Deliver improvements to Place including through providing strategic input to local and regional strategies</p>
<p>2019/20 Transport priorities:</p>
<p>Development of an integrated 'City Region' Transport Network including the development of Inclusive Growth Corridor Plans, a pipeline of road schemes and mass transit proposals leading to the development of a LCR Connectivity Strategy in 2020 including working with the National Infrastructure Commission.</p>
<p>Develop an ambitious Transforming Cities Fund submission which is successful at securing investment, helps deliver our targets and indications and meets partners' expectations</p>
<p>Shape the development of national rail schemes (including High Speed Two, Northern Powerhouse Rail, Calder Valley improvements, Trans Pennine Route Upgrade, East Coast Mainline and capacity around Leeds Station)</p>

Develop and establish a new WYCA rail plan and pipeline of schemes to support rail patronage growth and customer experience
Develop the policies within the WY Transport Strategy 2040 into action and evaluation plans including embedding Healthy Streets, developing our approach to air quality, aligning the LTP funding to meet objectives, developing a freight policy and create a 'State of Transport' report.
Shape Transport for the North's strategy and investment programme to ensure it reflects the priorities of the Leeds City Region
Develop and test future mobility options including agree and implement a digital payment strategy, identifying risks, impacts and opportunities of Autonomous Vehicles and trialling demand responsive passenger services. Secure future funding.
Ensure WYCA's priorities for short term rail operations are delivered e.g. rail performance, maintenance and through franchise service changes are met.* (Accountability across Transport Services)
Develop Local Cycling and Walking Infrastructure principles, plans and pipeline.
Support an increase in bus patronage and customer satisfaction including a new West Yorkshire Bus Alliance, improving network legibility, ticketing and affordability, economy of the bus network, and highway infrastructure.
Deliver the Connecting Leeds programme , including developing outline business cases for the Rail package (including stations at White Rose, Leeds Bradford Airport and Thorpe Park; and the bus delivery package, including proposals for Real Time, new transport hubs, a digital hub, Demand Responsive Transport, and an outline business case for Leeds bus station.
Make progress towards delivery of the Leeds Integrated Station Masterplan (with Leeds City Council) by completing the Outline Business Case and developing a funding and financing strategy in partnership with other organisations such as DfT, Network Rail and LCC.
2019/20 Research and Intelligence priorities:
Develop our information and intelligence assets to support the corporate and business plan needs of the organisation, including leading development of economic research work to support monitoring and impact assessment of UK departure from EU on LCR businesses and households, monitoring and assessing future passenger numbers, and enhancing evidence bases for Industrial Strategy and Inclusive Growth.
Drive the development of project evaluation and economic appraisal , including leading economic business case assessments, and monitoring to support West Yorkshire Transport Strategy and Connecting Leeds
Drive the development and management of the CA's intelligence assets to support the corporate and business plan priorities of the CA , including developing and implementing a Spatial and Location Intelligence Strategy and data platform for self-service access to spatial and local economic data.
Raise the profile of CA evidence advocacy across key policy areas
Ensure the CA and LEP's analytical capability can respond to key operational and reactive requirements , including inward investment, bid development, monitoring and impact assessment.
Communications and marketing priorities:
Establish a regional public affairs function & strategy – (Equivalent Agency Value EAV £1.5m) , with its first priority to develop and roll out a comprehensive strategic transport investment influencing programme – including NPR, TRU, NSB, Transforming Cities Fund – Mass Transit, HS2E, ECML, M62

Establish a regionally coherent local place based narrative programme – (EAV £0.5m), co-ordinating across all Partners placed-based narratives that align to tackling the Productivity gap, delivering Inclusive Growth, [creating Clean Growth], helping to secure a 21st Century transport system and promoting the region as a place to live, work, play and invest.

Establish the region as a centre for people based Digital & Tech development – (EAV £0.35m), establishing the partnerships, narratives and building blocks in 2019 for a series of nationally recognised events and PR/PA activity necessary for the region to be termed the heart of digital Britain and of innovation in the UK.

Continue to market the services of and delivery of CA/LEPs' initiatives and programmes (EAV £0.5m), including supporting Transport Services in transforming their service to a digital first approach and Economic Services in support to business in a coherent manner, a significant expansion of careers, and related skills services and Trade and Inward Investment.

Extension of full service digital engagement, marketing and communications function (EAV £0.5m) (NEW/BAU), delivering efficient and valued engagement channels, including to support economic and transport policy and strategy development, and the extension of the digital reach of the CA / LEP; and extending both the reach and following of CA / LEP social media channels and move to a digital first marketing philosophy enabling more efficient targeting and effectiveness of campaigns.

Create and extend strategic communications and external affairs function (EAV £0.5m), to continue to raise the profile of the region and the work of the CA / LEP regionally, nationally and internationally - promoting inclusive growth measures, innovative policy choices and the region as a whole.

Roll out of the agreed partnership programme in conjunction with above engagement activity (EAV £0.1m), enhancing organisational legitimacy across all local partners and stakeholders, take up of services from the public and regional coherence across all areas of society including the seldom heard.

Embed the organisation's values, transform culture & enable transformation (EAV £0.1m), through recognised internal communications & through leadership, establishing the CA/LEP as a 'communications organisation': aware, intelligent and agile enough in philosophy, culture and ability to foresee, prepare for and address opportunities and challenges facing the organisation, our partners, our stakeholders and communities and the region as a whole.

Continue to provide a best in class consultation & engagement function (EAV £1m), extending involvement across consultation & engagement programmes to seldom heard individuals & groups.

Extend the commercialisation of the Communications Team with income generation of £150,000 in 2019/20.

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Policy, Strategy and Communication budget summary: DRAFT		£
2019/20 Revenue Budget	Net revenue requirement	4,709,315
	Gross revenue expenditure	6,693,986
	Direct cost contribution Income:	
	Admin recovery (staff secondments)	(261,000)
	Capital recovery	(1,373,671)
	Other 3 rd party income	(350,000)

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POLICY, STRATEGY AND COMMUNICATIONS DRAFT KPIs 2019-20

	Proposed Indicator	Target / Deliverable	Measure Frequency	Notes	Productivity	Inclusive Growth	21st C transport	Clean Growth	Corporate
Strategy	Development of the City Region Strategy (replacement SEP). To include near completion of the Local Inclusive Industrial Strategy	Milestones End March 2020 with interim production of City Region Strategy elements	Quarterly review of progress.						
	Development of a funding framework	Milestones A framework that prioritises how we bid for opportunities that align with objectives with a review of local funding options completed.	Quarterly review of progress.						
	Amount of external funding secured since April 2018	Tracker – total amount secured	Quarterly	Not a target but an indicator – to avoid perverse incentives					
	No. of bids submitted and how many we win	Tracker – count number of bids and percentage successful	Quarterly	Not a target but an indicator – to avoid perverse incentives					
	Proportion of European Structural and Investment Funds allocated	100%	Quarterly	Highly dependent on applicants and securing match funding					

	Proposed Indicator	Target / Deliverable	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Strategy	Number of proactive responses to relevant consultations/reviews to influence Government policy.	As prioritised by DMT, to include at least: <ul style="list-style-type: none"> • Spending Review • Low Pay Commission consultation 	Quarterly	To be prioritised by DMT, following input and discussion with Panels, Lead Chief Executives, etc.					
Business, Workforce & Productivity	Number of policy 'playbooks' completed to stage 5 of the policy cycle, resulting in a preferred option to address the City Region's objectives.	Eight across business and workforce issues	Quarterly	To be prioritised by DMT, following input and discussion with Panels, Lead Chief Executives, etc.					
Place	Number of consultation responses on Local Plans and Strategic Planning Applications that supports the spatial priorities set out in the SEP	Tracker - Count	Annual						
	Number of planning applications commented on to maximise funding opportunities and improvements for sustainable transport, inclusive growth and productivity	Tracker - Rolling Average (currently 21 per month)	Annual	<i>NB – we may change this KPI to one based on Section 106 money attained</i> Count of the number of planning applications responded to.					

	Proposed Indicator	Target / Deliverable	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Energy & Sustainability	Commence detailed feasibility work on the new Energy Strategy and Delivery Plan.	Commence detailed feasibility work on 10 projects within the new Energy Strategy and Delivery Plan by April 2020	Quarterly						
	Secure a regional dedicated resource to commence delivery of the new Green and blue infrastructure strategy and delivery plan.	Secured a regional dedicated resource to commence delivery of the new Green and blue infrastructure strategy and delivery plan by Summer 2019.	Quarterly						
	Develops a corporate policy and approach to carbon reduction and environmental issues.	Developed a Corporate programme by April 2020	Quarterly						
Digital Infrastructure	Secured funding and development of the Superfast West Yorkshire and York (SWYY) Broadband Programme	DEFRA and ESIF funding secured; SWYY Phase Three to FBC – May/June 2019	Quarterly						
	Secured funding and development of a West Yorkshire full fibre infrastructure programme	External funding secured; West Yorkshire Full Fibre Programme to DP2 (Expression of Interest/Case Paper)	Annual	Scope of programme to be confirmed, subject to future engagement with DCMS Social Finance and/or DCMS Local Full Fibre Networks					

	Proposed Indicator	Target / Deliverable	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Flood Risk Management	Delivery of Leeds City Region Flood Review Recommendations	Increase in number of completed recommendations from 3 to 5	Annual	Two new recommendations to complete: <ul style="list-style-type: none"> • Sustainable Urban Drainage Systems guidance updates • Updated economic modelling for measuring the indirect impacts of flooding 					
	Securing additional funding and pipeline development of Flood Risk Management schemes (post 2021/22)	Additional external funding secured; Development of pipeline of FRM schemes with partners.	Annual	Policy and strategy working with partners (EA and council) to identify schemes that support our objectives, influence their prioritisation and seek additional funding to close funding gaps.					

	Proposed Indicator	Target	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Transport	Bus Alliance agreed	Alliance agreed	Annual	Quarterly review of progress.					
	Develop future mobility policy including our approach to mobility as a service and an agreed an action plan.	Plan agreed	Annual	Quarterly review of progress.					
	Progress Leeds Public Transport Improvement Programme	Rail stations to Outline Business Case and connecting communities and transport hubs programme passed over to Delivery. [by 2 nd Quarter 2019/2020]	Milestones/ Annual	Quarterly review of progress. In partnership with Leeds					
	Transforming Cities Fund submission	c.£250m-£300m	Annual	Draft July 2019, Final autumn 2019					
	Develop Local Cycling and Walking Infrastructure plans	First phase of plans (as agreed by Transport Committee on 11 th January) completed	Annual	Should be completed in Q1. Might be relevant to add further phases but funding dependant and want to learn from first phase first before deciding on what next.					
	Development of an LCR Connectivity Strategy	Date for completion in 2020	Annual	Milestones for 2019/2020 to be agreed with NIC and members					

Proposed Indicator	Target	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Research & Intelligence	Produce a robust evidence base and evaluation method for the Local Inclusive Industrial Strategy, and have this agreed with government	Summer 2019 and then building	Milestones/ Annual	Integral part of monitoring the strategy and linking intervention to support the strategy on the impact and outcome at community and local level work.				
	Develop a data platform and structured self-service repository for economic, transport and demographic intelligence products.	Milestones Delivered in 2019-20	Annual					
	Produce, sign-off and implement headline strategies to ensure consistent/effective approach to research & intelligence particularly a Research Strategy and a Location Intelligence Strategy.	Milestones Delivered in 2019-20	Annual					
	Deliver key intelligence products: <ul style="list-style-type: none"> ○ LCR annual Business Survey ○ Quarterly Economic Survey ○ Annual Tracker Survey ○ Household survey ○ Annual labour market report 	Milestones Delivered in 2019-20	Annual					

Proposed Indicator	Target	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Research & Intelligence	Develop and implement an Evaluation Strategy, promoting an organisation-wide approach to collating and managing project evaluation. Establish a single managed dataset to capture all project evaluation activity.	Milestones Delivered in 2019-20	Annual					
	Establish an effective intelligence and information sharing network with district partners, building on the Leeds City Region Research Group	Milestones Delivered in 2019-20	Annual					

	Proposed Indicator	Target	Measure Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Comms & Marketing	Advertising value equivalent	£4.5million p.a.	Annual / Quarterly review	based around 5 regional stories a week and 1 national stories a week					
	Social media reach	Double reach	Annual	Social media reach – those that measurably engage with CA/LEP					
	Followers increase	200%	Quarterly	Followers increase on each of our channels					
	Income streams developed	£150k	Annual	To be reinvested into digital, engagement, external affairs tools					
	Directorate satisfaction score	Establish baseline 1 st qtr	Quarterly	To be developed but based around snap surveys and WIP					
	Return on investment on marketing campaigns	Use GCS framework per campaign – setting baseline and monitoring per campaign	Per campaign	Government Communications Service					

Delivery: 2019/20 Draft Business Plan Summary

DELIVERY DIRECTORATE VISION

Ensuring the delivery of a portfolio of projects and programmes within the agreed cost, time and quality framework, which meet our strategic priorities and derive maximum benefit for the region

2019/20 Delivery Directorate Overview

The Delivery Directorate is focussed on the delivery of projects and programmes which meet strategic objectives within the funding envelope available. We are responsible for supporting, developing and delivering schemes which create 21st century transport and boost productivity. In particular we support businesses directly by offering loans to enhance growth and the creation of jobs, including developing low carbon schemes, funding college and university infrastructure to support a skilled workforce, delivering superfast broadband to businesses and hard to reach communities, and infrastructure that safeguards businesses and homes from flooding, tackling fuel poverty by delivering warm homes and alternative heating schemes, all of which promote the inclusive growth agenda. We are building 21st century transport infrastructure by designing and building new rail stations, supporting bus Park and Ride schemes and extending rail station parking provision, championing sustainable transport schemes through successive cycling and walking programmes, facilitating new and improved highways infrastructure schemes to unlock key housing and employment sites, developing Enterprise Zones and improving the connections between homes and centres of employment. We are further developing smart card technology and mobile applications to make it easier for people to pay for public transport and we are supporting clean technologies to reduce bus emissions and deliver superfast vehicle charging points.

We also ensure schemes that are delivered in the Leeds City Region offer good value for money and meet the requirements of central government and our wider funders. We ensure that projects pass through our assurance process, where schemes are appraised and challenged to ensure we get the best schemes for our money and safeguard public funds.

We rely on support from across the Combined Authority to delivery our portfolio of projects, in particular:

- Policy and Strategy define our projects and programmes and lead on programme level monitoring and evaluation;
- Communications support in meeting government requirements regarding publicity;
- Corporate Services Directorate support in producing legal and funding agreements, finance support, procurement advice, HR and ICT support.
- Where additional or specialist support is required to support the delivery of our programmes these are procured externally and funded via the management costs of these programmes.

There are increasing pressures on skilled resources to deliver an increasing and expanding portfolio, with further planned expansions of projects and programmes. This includes

schemes such as Enterprise Zones, new rail stations, the future Growing Places Fund/ business loans programme and expansion into commercial areas, and potential support to the Shared Prosperity Fund. The exact requirements of these programmes is still being defined and where additional resources are required any additional costs will be capitalised through defined projects and programmes. We are also supporting the merger of the LEP.

Overview Pan-Directorate

Oversee the successful delivery of 250 projects through direct delivery and partnership working

Successful outcome of the 2019 Growth Deal Review (Transport Fund)

Actual spend and forecasts on target and the correct projects delivered / being delivered to ensure we meet our strategic priorities and derive maximum benefit for the region with regards:

- Growth Deal funding including Transport Fund (target spend of £105 million in 19/20 and £516 million in total by March 2021);
 - Leeds Public Transport Investment Fund, known as Connecting Leeds funding (target spend of £60m original target in 19/20 and £173.5 million by March 2021);
 - Other programme funding (Ultra Low Emission Vehicles, CityConnect, Local Transport Plan Integrated Transport Block and National Productivity Investment Fund, Broadband, Warm Homes, Growing Places Fund, Corporate Projects).

Continue to build and strengthen relationships with partner Councils and external sponsors.

PIMS system embedded and working successfully including further development to improve efficiency to ensure consistent, clear and concise monitoring and reporting to our partners and leaders

Embed measurable changes following the outcome of the 2018 Employee Survey

Proactively manage and maximise business rate potential, capture and investment as part of the Enterprise Zone programme

Planning for future programmes by working closely with the Policy and Strategy teams to ensure place-making, deliverability and monitoring resource capacity (internal, external and partners) to deliver new areas of the pipeline (e.g. new Growing Places Fund, Transforming Cities Fund, Future Mobility programme, potential support to Shared Prosperity Fund)

Completing the smart ticketing and technology programme (SCIP), making it easier for bus and rail users when paying for their journeys

New strategy, team and processes for Growing Places Fund reinvestment, initiated and embedded

Deliver the early phases of the Corporate Technology Strategy in conjunction with ICT, the Transformation Team and Delivery Partner.

Head Office Accommodation - refurbishment commenced and flexible ways of working policy initiated.

Continue to manage and review the corporate, portfolio, programme and project risk and cost management strategy and communicate to our partners.
Celebrate the success of delivering projects as they are delivered and SEP objectives realised.
Proactively manage Lessons Learnt and strategy for capturing benefits realisation
Policies, procedures and working practices improved and implemented to maximise staff retention, e.g. full complement of staff, trained staff, known as an organisation people want to work for / know who we are.
Culture of high performing teams and continuous improvement embedded with motivated and engaged people that are responsible for delivering named projects and new governance arrangements embedded
Early review and implementation of improved staffing structures to reflect existing and future pipeline of project activity, including strengthening internal team and accessing existing / procuring (as necessary) technical frameworks for technical expertise (e.g. rail, commercial)
Providing case officer support to the Feasibility & Assurance team to support the robust assessment of schemes progressing through the Assurance Framework

2019/20 Implementation Team priorities
Transport Projects - direct delivery of transport projects as below:
<p>Rail Park and Ride Programme, Phase 1:</p> <p>Extension to rail station car parks to increase capacity and access to rail - 14 sites in total.</p> <p>4 schemes to commence construction works in 2019/20, subject to approvals (to Activity 6):</p> <ul style="list-style-type: none"> • Garforth • Steeton & Silsen • Shipley • Moorthorpe <p>Providing approximately 350 additional spaces</p>
Rail Park and Ride Programme Phase 2 (to Activity 3)
Castleford Rail Station Gateway - project completion (to Activity 6)
<p>New rail stations at Elland, Leeds Bradford International Airport (LBA), White Rose and Thorpe Park</p> <p>Approvals secured for taking forward the next steps</p> <p>(At Activity 3 OBC working to Activity 4 – FBC for all 4 stations)</p>
<p>ULEV taxi charging point infrastructure (West Yorkshire)</p> <p>Target 88 No. installations in place / funding committed by March 2020</p>

2019/20 Implementation Team priorities
Transport Projects - direct delivery of transport projects as below:
Project completion (to Activity 7)
New Station Street, Leeds project completion (to Activity 7)
<p>Rail Accessibility programme - Connecting Leeds</p> <p>To facilitate step free access, from the station entry point, through to the platform edge, at Cross Gates, Horsforth and Morley (Morley subject to Transpennine Route Upgrade discussions) rail stations.</p> <p>(At Activity 3 OBC working to Activity 4 FBC)</p>
<p>Real Time - Connecting Leeds</p> <p>Phase 1 - 490 4-line LED real time information displays at bus shelters in Leeds with no current provision - completed.</p> <p>Phase 2 - 510 pole mounted real time information displays along main bus corridors in Leeds – procurement in year.</p> <p>Phase 3 - 10 totems with static information and integrated real time information displays at main transport hubs – may transfer to Leeds for delivery.</p> <p>(Activity 6 – Delivery for Phase 1) Programme to be delivered 19/20 and 20/21</p>
<p>New Pudsey rail station Park & Ride - Connecting Leeds</p> <p>(At Activity 3 OBC working to Activity 4 FBC)</p>
<p>Halifax bus station</p> <p>A new build bus station will be constructed on the site of the current bus station. The new structures will be to modern standards providing enhanced passenger environs, with improved access to and prominence of the bus station manager's office, ticket office and commercial units. Design and funding agreed 19/20</p> <p>(At Activity 3 OBC working to Activity 4 FBC)</p>
<p>Smartcard Implementation Programme</p> <p>Programme completion with CHASE residential MCards online process in place & Smart Transactions and Information (Aug 19)</p> <p>Online sales e.g. via a QR/ bar code smartphone app (Sept 19) - making it easier for bus and rail users when paying for their journeys (to Activity 6)</p>
<p>Wellington House Accommodation Project</p> <p>Refurbishment starts on site 19/20 (to Activity 6)</p>
<p>Corporate Technology Strategy including the following projects:</p> <ul style="list-style-type: none"> • Service Management Capability • Accessible Technology Charter • Data Centre and Cloud Strategy • Active Directory

2019/20 Implementation Team priorities
Transport Projects - direct delivery of transport projects as below:
<ul style="list-style-type: none"> • Network Infrastructure • Windows Server Upgrades • Data Platform • Meeting Room System • Cyber Security and PSN • ICT Disaster Recovery and Business Continuity • Mobile Access to Corporate Apps (Remote Access) • End User Devices • Intranet - • Sharepoint online and office 365 • CRM Improvements and Futures • Digitising Services <p>(to Activity 6) Programme to be delivered 19/20 and 20/21</p>
<p>Bus Hubs (Connecting Leeds)</p> <p>Initiate delivery phases - awaiting scope definition from Policy (to Activity 2)</p>

Transport Partnerships - supporting partner delivery of transport projects as below:
<p><u>Summary of projects to Activity 2:</u></p> <p>No. WY+TF/Connecting Leeds Projects approved at Decision Point 2 (EOI) (1)</p> <p><u>Calderdale</u></p> <p>1. A641 Corridor EOI</p>
<p><u>Summary of projects to Activity 3:</u></p> <p>No. WY+TF/Connecting Leeds Projects approved at Decision Point 3 (OBC) (3)</p> <p><u>Calderdale</u></p> <p>1. A629 Phase 4 OBC</p> <p>2. Halifax Station Gateway OBC</p> <p><u>Kirklees</u></p> <p>3. A629 Halifax Road Phase 5</p>
<p><u>Summary of projects to Activity 4:</u></p> <p>No. WY+TF/Connecting Leeds Projects approved at Decision Point 4 (FBC) (5)</p> <p><u>Calderdale</u></p> <p>1. A629 Phase 1b</p> <p>2. Elland Station & Access Package</p> <p><u>Kirklees</u></p> <p>3. A62 Cooper Bridge</p>

Transport Partnerships - supporting partner delivery of transport projects as below:

Leeds

4. City Centre Gateways (LPTIP) – various

York

5. York Outer Ring Road Ph4

Summary of projects to Activity 4:

City Connect Phase 3

No. schemes to Activity 4 (FBC) **(1)**

1. Cooper Bridge

Summary of projects to Activity 5:

No. WY+TF/Connecting Leeds Projects approved at Decision Point 5 (FBC+) **(7)**

Calderdale

1. A629 Phase 2

Leeds

2. West Yorkshire Integrated UTMC Element C
3. Bus priority corridors (LPTIP) – various

Wakefield

4. Wakefield City Centre Package (Phase 2, Ings Rd)

York

5. York Northern Outer Ring Road – Phase 3 – FBC+

Corridor Improvement Programme:

6. A62 Smart Corridor
7. Huddersfield Southern Gateway

Summary of projects to Activity 5:

City Connect Phase 3

No. schemes to Activity 5 (FBC+) **(4)**

1. Canals:

- Huddersfield Narrow
- Leeds Liverpool (Shipley)

2. Castleford/Wakefield Greenway Ph4

3. Huddersfield Town Centre

4. Leeds Links: -

- Claypit Lane
- Dewsbury Road
- Elland Rd and

Transport Partnerships - supporting partner delivery of transport projects as below:

Summary of projects to Activity 6:

No. WY+TF/Connecting Leeds Projects in delivery (on site) **13**

Calderdale

1. Calderdale A629 Ph2

West Yorkshire wide

2. UTMC Element A, B & C

Leeds

3. LPTIP early interventions
4. East Leeds Orbital Route

Wakefield

5. Glasshoughton Southern Link Road

York

6. York Central Access Road
7. York Station Frontage

Corridor Improvement Programme

8. Corridor Improvement Programme - Kirklees, A62 Smart Corridor
9. Corridor Improvement Programme - Calderdale, A58 - A672 Corridor
10. Corridor Improvement Programme - Calderdale, A646 - A6033 Corridor
11. Corridor Improvement Programme – Leeds, Dyneley Arms
12. Corridor Improvement Programme – Leeds, Fink Hill
13. Corridor Improvement Programme – Wakefield, Newton Bar

Summary of projects to Activity 7:

No. WY+TF/Connecting Leeds Projects completed – **(2)**

1. YORR ph2

Summary of projects to Activity 7:

City Connect Phase 2:

No City Connect schemes to Activity 7 (completed) **(9)**

1. Canal Towpath – Airedale Greenway (Leeds/Liv)
2. Canal Towpath – Calder Hebble
3. Castleford/Wakefield – Methley Bg – Fairies Hill Lock
4. Canal Towpath – Huddersfield Narrow
5. Canal Towpath – Rochdale Phase 1
6. Bradford Canal Road
7. Leeds City Centre
8. Castleford – Wakefield Ph2, 3 & Bridge over Railw'y
9. York Scarborough Bridge

Transport Partnerships - supporting partner delivery of transport projects as below:

Corridor Improvement Programme Phase 2 / 3 Development of EOI at programme level to Activity 1 **(1)**

Transforming Cities Fund – Policy to define scope to Activity 1 **(1)**

Economic Regeneration - supporting partner delivery of projects as below:

Framework and Programme management of Better Homes Yorkshire (Year 5); (to Activity 6)

- Projects in development to continue benefit utilisation of the framework
- Benchmarking of prices exercise to complete

Flood Alleviation Programme

- Skipton monitoring to complete (to Activity 7)
- Brighouse & Clifton progress to FBC+ and commence on site (to Activity 5/6)
- Leeds FAS 2 progress to FBC+ and delivery (to Activity 5/6)
- Progress Kirklees to FBC+ (to Activity 5/6)
- Mytholmroyd due to complete March 2020 (to Activity 6)
- Natural Flood Management programme (Colne & Calder) in delivery (to Activity 6)
- Wyke Beck water storage area at Killingbeck Meadows complete (to Activity 7)

Leeds District Heat (PIPES)

- On sign up of two heat sales agreements release £4m grant funding
- The Heat Network will go live Summer 2019 (to Activity 7)

Warm Homes Round 1

- Complete the programme May 2019 (to Activity 7)

Tackling Fuel Poverty Programme completion and close down (to Activity 7)

Leeds City Region Enterprise Zone programme, accelerated delivery for Phase 2

Skills Capital & Innovation Programme:

- Completion of Leeds City College (Quarry Hill/Park Lane Project) (to Activity 7)
- Working towards the completion of Kirklees College Pioneer House building (Dewsbury Learning Quarter Project) (to Activity 6)
- Huddersfield Innovation & Incubation Project complete (to Activity 7)

Energy Accelerator Programme (to Activity 6):

- Developed pipeline of projects and commencement of services
- Mid-term programme targets achieved

Growth Deal-Housing & Regeneration Programme

Drive forward Housing and Regeneration Programme, supporting Authorities to achieve spend and deliver anticipated outputs.

Economic Regeneration - supporting partner delivery of projects as below:

- FBC+ Dewsbury Riverside (to Activity 5)
- FBC+ Bradford Heritage Buildings (to Activity 5-6)
- FBC Bradford Heritage Buildings ph2 (to Activity 4)
- FBC+ Northgate House (to Activity 5)
- FBC+ Halifax Living (to Activity 5)
- FBC+ Wakefield City Centre Gateway (to Activity 5)
- Bradford Odeon (to Activity 6)
- Leeds Brownfield (to Activity 6)
- FBC+ One City Park (to Activity 5)
- Barnsley Glassworks (to Activity 6)
- Kirklees Housing (to Activity 6)
- Halifax Beech Hill (to Activity 6)

Growing Places Fund

Priority 1-continue daily management of existing loans to best protect Combined Authority Investment

Priority 2- Launch new GPF fund

High Speed Rail Institute

Work with University of Leeds to ensure scheme is progressing as planned and Combined Authority resource is effectively utilised to deliver the anticipated outputs for the LCR.

Following RIBA 4 technical sign off, FBC+ (to Activity 5) submissions for:

- Land and infrastructure costs Aug 19
- Ph1 Infrastructure Testing Facility Dec 19
- Phase 2 Vehicle Testing Facility March 20

Broadband Contract 2 Deployment ongoing (to Activity 6)

Broadband Contract 3 – subject to funding bid (to Activity 6)

2019/20 Feasibility & Assurance priorities

Achieving a successful Growth Deal 2019 outcome

- Liaison with consultants and supply of monitoring data
- Influencing the review at Government level
- Input to final report, due December 2019

Assurance Framework:

- Annual update, incorporating best practice nationally
- State of readiness for revisions to LEP geography and governance – may lead to significant changes to ways of working

Monitoring & Evaluation:

- Development/support of Evaluation Plans
- Strengthened approach to Benefits Realisation
- Update to Assurance Framework to reflect revised approach

2019/20 Feasibility & Assurance priorities

Business Case reviews:

- Formalise role with policy in respect of pre-EoI requirements
- Allocate, train, develop and strengthen review capability of Case Officers to ensure greater consistency and meeting increased demands of expanding portfolio
- Ongoing review of external specialist resource requirements
- Developing partner skills and understanding
- Review and expansion of Peer Reviews across the portfolio and beyond transport schemes
- Roll-out of Appraisal Specification Reports to non-transport schemes

Define and introduce categorisation of schemes by risk level across the portfolio and undertake deep dives

Respond to and lead on future Calls for Projects and Business Rates Pool etc.

2019/20 Portfolio Management Office priorities

Continuous review of the assurance process including ensuring transparency and incorporation of inclusive growth, green strategy etc.

- Develop, review and embed templates and guidance documentation:

More efficient delivery of programmes and projects with check and challenge to ensure we meet our strategic priorities and derive maximum benefit for the region including implementation of PMO business partnering

- Service and manage PAT:
 - Manage assurance process decision making - TC, IC and CA reporting, MD RfDs:
 - Provide advice and guidance on the assurance process to the CA and partners:
 - Business partnering to ensure programmes and projects are adequately checked and challenged:
 - Case Officer duties

Management of the portfolio with an increased understanding and embedding of controls for the assurance process, i.e. risk and issue management, cost management, change management, interdependencies, benefits realisation / monitoring and evaluation and Planning (Time) Management

- Develop, review and embed controls and guidance documentation:

Fully embed PIMS reporting system with 'one version of the truth' and clear and concise monitoring and reporting to our partners and leaders.

- Reporting from PIMS to IC, CA, LEP Board
- Management of PIMS – data collection and input
- Check and challenge of PIMS data

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Delivery Directorate budget summary: DRAFT		£
	Net revenue requirement 2019/20	(174,236)
2019/20 Revenue Budget	Gross revenue expenditure 2019/20	4,453,134
	Capital recovery	(4,627,370)

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DELIVERY DRAFT KPI's

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
Implementation	Delivery of a programme of significant transport & corporate projects by end of March 2019	9 No at DP3 (Outline Business Case, OBC) 8 No at DP5 (Full Business case plus costs, FBC+) 6 Complete	Quarterly	Phase 2 Rail park & ride is dependent on 3 rd party land holdings New rail stations are subject to interface projects incl. Transpennine Route Upgrade & S2					
	Support partners to deliver significant transport projects by March 2019	3 No at DP3 (OBC) 11 No at DP5 (FBC) 10 complete	Quarterly	All projects subject to staying within scope, cost & time tolerances					
	Support partners to deliver significant economic regeneration projects by March 2019	5 No at DP3 (OBC) 10 No at DP5 (FBC+) 6 complete	Quarterly	Flood schemes subject to securing all match funding					
	Improving homes through the Better Homes and Warm Homes programmes	750 homes	Quarterly	Subject to funding bids (Warm Homes) and confirmation that existing Better Homes Framework can be utilised					

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
Implementation	Better Homes: % of contract value delivered by City Region supply chain	80%	Quarterly						
	Flood Alleviation: number of businesses with reduced flood risk	70	Quarterly	Programme cumulative target to end 19/20: 620					
	Leeds District Heat: switch on achieved (commercial)	Q3	Quarterly	Subject to signing of contractual agreements					
	Business rate generation through progression of the Enterprise Zones programme	£1.958m	Quarterly	Site by site business case progression subject to 3 rd party owners & due diligence inc. review of potential state aid implications					
	Supporting digital inclusion through the provision of broadband infrastructure in urban and rural communities	5,277 THP contractual target for contract 2	Quarterly	THP = Total Homes Passed (i.e. at superfast speed & ready for service). Ongoing challenges in contract 2 Openreach maintaining delivery of superfast targets - impacted on ERDF drawdown. Contract 3 targets subject to successful funding bids & procurement outcome.					

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
Implementation	Launch the new Growing Places Fund utilising returned investment	Qtr 2	Quarterly	External support will need to be procured to support this process and establishment of a new support team					
	Developing smart card technology, making it easier for bus and rail users when paying for their journeys	Programme completion Qtr3 % total sales via MCard app to be greater than 15%	Quarterly Quarterly						

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
PMO	Review of the assurance process	Revised and approved March 2019	Annually	Assurance framework needs to mirror any amendments to the assurance framework which is reviewed yearly for approval in February Awaiting Government guidance before this can begin LEP review will also influence this					
	Schemes reviewed at PAT at: DP2 (Entry into Programme) DP5 (Full Business case with costs)	To determine based on forecasts	Quarterly	Reviewed means appraised, not recommendation for approval. Non approval or further work required may be the outcome					
	PIMS updated with all schemes within funding programmes CA is responsible for	March 2019	Quarterly	PMO responsible for approximately 50% of data, but partners and project managers are responsible for the remainder and therefore success is dependent on partners and project managers					

Proposed Measure		Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st Century transport	Clean Growth	Corporate
PMO	Portfolio reporting format for our partners and leaders agreed and implemented for all funding programmes CA is responsible for	March 2019	Quarterly	PMO responsible for reporting formats for CA reporting requirements, but partner input and agreement is required for their reporting requirements					
	Cost for administering programmes for Combined Authority wider than Delivery	March 2019	Annual	Target has yet to be established – benchmarking required to gauge Value for Money					
Feasibility & Assurance	Successful Growth Deal Review Outcome by December 2019	Pass	One-off	Government review which will influence future Growth Deal funding to the Combined Authority					
	Incorporate LEP Review guidance into updated Assurance Framework	Sign-off by 31 March 2019	One-off	Currently awaiting Government guidance to be issued					
	Review of submitted business cases and change requests to meet Programme Appraisal Team timescales	100%	Annual	Approximately 150 submissions annually made to the Combined Authority for review prior to seeking approval.					

Economic Services: 2019/20 Draft Business Plan Summary

ECONOMIC SERVICES VISION

Delivering effective services to drive inclusive growth.

To attract global investors, support businesses to be more productive and inspire people to gain relevant skills, working with partners from the public, private and third sector.

2019/20 Economic Services Overview

In 2019/20 the Economic Services Directorate will focus on delivery against the following pan-directorate priorities:

- Increase our focus on **productivity improvement** with businesses, underpinned by more strategic conversations with business leaders to encourage a more long term approach to business planning which helps them access the right package of business support offers to complement their own strategic plans.
- Extend and deepen our work to embed **inclusive growth** across the broad range of skills, business support and inward investment services, in order to foster greater social mobility and to engage stronger commitment from businesses we support to be responsible employers.
- Develop an agile and responsive approach to **Brexit-related opportunities and challenges** by supporting indigenous businesses, potential investors and the workforce in our labour market.

The overall balance of resource investment will be kept under review in line with emerging policy priorities and in response to the prevailing economic conditions, within the constraints of contractual obligations linked to specific funding agreements.

We will also work with our colleagues in the York & North Yorkshire LEP to prepare for the proposed LEP merger in 2020, by reviewing our respective service offers and aiming to develop the 'best of both' in line with the new LEP's emerging industrial strategy and policy priorities.

2019/20 Team Priorities

Business Support Team Priorities

The Business Support Team will focus on delivering the following operational priorities during 2019/20:

Current Programmes:

- Deliver LEP Growth Service* with a target of supporting 3,025 businesses and providing 1,035 of these with intensive support
- Deliver Pop-up Business Advice programme with a target of holding 14 events (with over 50% of these in more disengaged / disadvantaged areas).
- Deliver Capital Grants Programme with 75% of jobs created in businesses receiving grants paying the real living wage and above
- Deliver Resource Efficiency Fund programme to October 2019, supporting 88 businesses to reduce energy, water and waste.
- Deliver Access Innovation programme, supporting 77 businesses to research and develop new products or services.
- Deliver Strategic Business Growth programme, supporting 100 businesses to produce and implement strategic growth plans.
- Deliver Travel Plan Network* programme with a target of recruiting 96 new members and contributing to modal shift
- Deliver the Productivity Pilot and use learning to inform future grant programmes.
- Capture and monitor Inclusive Growth outcomes from capital grants with a target of 90% of businesses contributing to inclusive growth outcomes

New Programme Development:

- Develop and introduce new Investment Readiness programme to support 60 firms to become more investment ready
- Develop and introduce new Business Resilience* programme for 45 companies, with flexibility to respond to economic uncertainty
- Design, secure funding for & commence delivery of a successor Resource Efficiency Fund* programme, including North Yorkshire, from October 2019.
- Design, secure funding for & commence delivery of a successor Access Innovation* programme from January 2020.
- Design and secure funding for a successor Strategic Business Growth* programme to be delivered from April 2020.

Impact Analysis:

- Produce detailed impact analysis of cohorts of businesses supported across all programmes.

N.B. Resources for delivering the above programmes include some local authority staff and contracted delivery partners, as well as the Combined Authority staff resources listed.

**Projects asterisked are subject to current and future funding applications being successful*

The Business Support Team will also focus on the following strategic priorities in 2019/20:

- Increase the reach of the LEP Growth Service across the City Region's districts, including some of its more disadvantaged neighbourhoods, with a clear focus on business improvement.
- Broaden the LEP's business support portfolio to better meet the changing needs and circumstances of our businesses, with a particular focus on strategic planning, financial resilience (Brexit and other challenges) and improved productivity.
- Demonstrate the positive impact and outcomes of the LEP's business support products, both in quantitative and qualitative terms.
- Increase the contribution from businesses we support to the LEP and Combined Authority's inclusive growth commitments.

2019/20 Employment and Skills priorities

The Employment and Skills Team will focus on delivering the following operational priorities during 2019/20:

- Carry out a review and update of delivery agreements with 7 West Yorkshire FE Colleges to influence education and skills provision in line with economic need
- Build career readiness of young people, delivering an enhanced model of employability, enterprise and careers education to 18,000 disadvantaged students
- Deliver a pilot Careers Hub with partners in Kirklees
- Influence 1,000 businesses to engage with education, apprenticeships and sector skills initiatives, including support for 800 businesses to offer apprenticeships
- Support individuals to develop skills in priority sectors* and change careers, helping 1,000 people to upskill in skills shortage areas.
- Reach 250,000 people with information on careers linked to labour market information to promote better informed choices.

The Employment and Skills Team will also focus on the following strategic priorities during 2019/20:

- Provide strategic leadership of the skill system, in particular by creating a Skills Commission, in partnership with Policy colleagues, to undertake a high profile Skills System Review and extending the effectiveness of Delivery Agreements with Colleges as a precursor to devolved skills funding in order to ensure colleges and training providers deliver the skills we need in the regional economy.
- Build career readiness of young people by investing more resource into enhancing the offer to disadvantaged pupils, extending #futuregoals and working with careers leaders in secondary schools to ensure many more pupils benefit from increased encounters with employers in line with the Gatsby benchmarks in the National Careers Strategy, working in partnership with local authorities.
- Deliver services to support young people, career changers and businesses through the Employment Hub, [re]boot, Apprenticeship Grants for Employers, and support for Apprenticeship levy-payers.

N.B. Resources for delivering the above programmes include some local authority staff and contracted delivery partners, as well as the Combined Authority staff resources listed.

**Projects asterisked are subject to current and future funding applications being successful.*

2019/20 Trade and Investment priorities:

The Trade and Investment Team will focus on the following operational priorities during 2019/20:

- Inward Investment enquiry handling with a target of generating 100 new enquiries of which 50 are non-Core City inward investment enquiries
- Investor Development service* - building engagement with circa 100 foreign owned businesses and identifying new FDI projects
- Bringing 30 successful inward investment projects to LCR, of which a minimum of 15 are beyond the Core City, creating 1,700 jobs for the region and safeguarding a further 500
- Leveraging £50,000,000 in private sector investment
- International Trade – work to simplify the trade delivery landscape and connect potential exporters to new opportunities, helping 350 businesses with overseas trade
- International profile raising - ensuring the profile of our key industrial sectors is maximised
- Sector Development and lead generation to convey specialisms and attract the attention of international investors. Ensure a presence at leading industry events to engage with the sector, investors and represent the region (i.e. Arab Health, SMART Cities etc.)
- MIPIM Property Conference – to provide a platform for our Local Authorities and private sector developers/investors to be represented and promote the region's key messages
- Emerging Markets - a more concentrated approach to China and India including the expansion of strategic activity to obtain in-market recognition for Leeds City Region, to forge at least 50 active contacts.

The Trade and Investment Team will also focus on the following strategic priorities in 2019/20:

- Respond to new policy drivers to rebalance the gains from investment across the whole City Region, including support for supply-side promotion of key assets
- Increase the amount of FDI from indigenous firms, through effective investor development by our newly established KAM team, in particular to support companies to secure and win additional local investment post-Brexit.
- Increase the focus of our international trade work help companies exploit post-Brexit export opportunities, in particular to develop stronger links with key emerging markets in particular China and India.
- Channel 4 – maximise the opportunities from securing the high profile inward investment. Attracting new investment in creative & digital sector, supporting existing businesses and new investors. Work in partnership with local authorities to deliver value across the city region (NB additional budget or staffing assumptions not yet included - until DP5)

N.B. Resources for delivering the above programmes include some local authority staff and contracted delivery partners, as well as the Combined Authority staff resources listed.

**Projects asterisked are subject to current and future funding applications being successful*

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Economic Services budget summary: DRAFT		£
2019/20 Revenue Budget	Net revenue requirement 2019/20	915,242
	Gross revenue expenditure	12,501,057
	Direct cost contribution Income: Government grants and awards	(10,695,903)
	Capital recovery	(490,936)
	Other 3 rd party income	(398,976)

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ECONOMIC SERVICES DRAFT KPI's:

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Business Support	Number of businesses receiving support.	3025	Monthly	10% increase on 18/19 but part-dependent on successful funding applications.					
	Intensive support to growth businesses.	1035	Monthly	15% increase on 18/19 but dependent on successful funding applications.					
	Jobs created in businesses receiving intensive support.	650	Monthly	30% increase on 18/19 but part-dependent on successful funding applications and outcome of the Productivity Pilot.					
	Proportion of jobs created in businesses receiving capital grant investment paying the Real Living Wage and above.	75%	Quarterly	New measure linked to Inclusive Growth and the incentive to increase wage rates to the Real Living Wage or above.					
	Investment in business capital growth projects.	£6m	Monthly	20% increase on 18/19 but part-dependent on successful funding applications.					
	Businesses supported to reduce costs on energy, water and waste.	88	Monthly	10% increase on 18/19 but dependent on successful funding application.					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Business Support	Business supported to produce and implement strategic growth plans.	100	Monthly	Proportionate increase as funding only in place for 10 months of 19/20.					
	Business supported to improve innovation capacity.	77	Monthly	10% increase on 18/19 but part-dependent on successful funding applications.					
	Businesses supported to become more investment-ready.	60	Monthly	New project to commence delivery to SMEs in April 19.					
	Businesses supported to improve their financial health and resilience.	45	Monthly	New project to commence delivery to SMEs in June 19, but funding not yet secured.					
	Pop-up business advice events delivered across the City Region	14	Monthly	Increase of 2 (circa 14%) on 18/19.					
	Pop-up business advice events delivered in more disadvantaged areas.	8	Monthly	Increase of 2 (circa 25%) on 18/19.					
	New members recruited to the Travel Plan Network of 422 members.	96	Monthly	20% increase on 18/19 dependent on successful funding application / CA funding.					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Business Support	Larger employers supported to deliver shared travel plans.	10	Monthly	New measure in development for a more focused on behaviour change and modal shift.					
	% of business growth programme grant recipients contributing to Inclusive Growth outcomes.	90%	Monthly	New measure linked primarily to businesses in receipt of capital investment grants.					
	Proportion of businesses receiving intensive support achieving growth (employment and/or GVA).	85%	Annual	10 percentage point increase on 18/19 and to be measured via annual impact analysis.					
	Proportion of businesses supported by the Growth Service likely to recommend it.	90%	Monthly	5% increase on 18/19 and to be measured on a monthly basis as opposed to annually.					
Employment & Skills	Deliver an enhanced model of employability, enterprise & careers education to disadvantaged students.	18,000	Monthly	6,000 increase per year.					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Employment & Skills	Refresh and monitor delivery agreements with FE colleges, to deliver skills outcomes which support our economic priorities and inclusive growth ambitions.	7	Annually	West Yorkshire FE Colleges – 2 nd round of delivery agreements.					
	Number of businesses influenced to engage with education, apprenticeships and sector skills initiatives	1,000	Monthly	[re]boot, Enterprise in Education, AGE, Employment Hub/BRP					
	Of which businesses supported to offer apprenticeships	800	Monthly	Rolled forward from 18/19 for AGE and telemarketing (increase to 1,000 if get funding).					
	Of which new businesses (not engaged with skills products in the last year).	150	Monthly						
	Number of people reached with information on careers linked to labour market information, thus promoting better informed choices.	250,000	Monthly	Future goals activities, assemblies, website.					
Number of individuals supported to upskill in skills shortage areas.	1,000	Monthly	[re]boot, Employment Hub, practitioner CPD.						

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Trade & Investment	Total New Enquiries Generated.	100	monthly	Maintained from 18/19 as stretch on actual enquiries.					
	a.) of which no. of non-Core City Inward Investment enquiries generated	50	monthly	A new target linked to the objective to stimulate inward investment in the wider Leeds City Region.					
	b.) of which no. generated through Investor development activity	30	monthly	Reflecting the contribution of the new KAM team activity with indigenous FDI firms.					
	Total Projects to Leeds City Region (Successes)	30	monthly	Refers to 'involved' successes. Reduced in line with refocus of priorities and in a climate where national FDI has reduced by 40%.					
	a.) of which no. of Projects to non-Core City regions (Successes)	15	monthly	New KPI to target rebalancing spread of investments.					
	b.) of which no. delivered through investor development activity	15	monthly	Reflecting the contribution of the new KAM team activity with indigenous FDI firms.					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 Century transport	Clean Growth	Corporate
Trade & Investment	Number of companies that will be actively account managed through investor development activity.	120	monthly	Reflecting the contribution of the new KAM team activity with indigenous FDI firms.					
	New Jobs Created (Successes).	1700	monthly	Increased by 200 as stretch on 18/19 albeit challenging in a climate where national FDI has reduced by 40%.					
	Jobs Safeguarded (Successes).	500	monthly	In likelihood of safeguarding priority post-Brexit.					
	Private Sector Investment Leveraged	£50,000,000	monthly	Increased to reflect total leverage of investments. Refers to the total value of 'involved projects' landed - see KPI above.					
	No. of active contacts developed in new and emerging markets (including China and India).	50	monthly	Reflecting the shift in priorities for targeting emerging markets.					
	Number of businesses assisted with overseas trade initiatives.	350	monthly	Increased priority in response to Brexit opportunities.					

Transport Services: 2019/20 Draft Business Plan Summary

TRANSPORT SERVICES VISION

Connecting people to places

To transform, through strong relationships with local partners and transport providers, the services provided by the CA to be efficient, community led and customer focused.

2019/20 Transport Services Overview

In 2019/20 the Transport Services Directorate will be focussed on the following overarching priorities

- Reducing cost, improving efficiency and growing income
- Making it easier for people to use our services and products
- Ensuring our services support inclusive growth in communities
- Doing the best we can for our customers
- Delivering the Combined Authority's policies and looking after its assets
- Supporting our colleagues in District Councils
- Being part of the public/private sector transport team

2019/20 Priorities

Support for Mobility

Supporting mobility through the following core activities and priorities:

Core Activity

- Enabling 20 million passenger journeys per year (approx.15% of all bus journeys) on services commissioned under contract by the Combined Authority and liaison with bus operators to ensure the delivery of commercial bus services meets the West Yorkshire Bus Strategy
- The AccessBus service enables 5,000 people with limited mobility to make independent journeys
- Enabling over 40,000 young people travel on school transport services commissioned under contract by the Combined Authority
- Arranging transport for SEN pupils for Wakefield Council
- Procurement and management of contracts of total value £27.5 m
- Delivery of education transport services under co-operation agreements with all five Councils

Priorities for 2019/20

- Develop and deliver voluntary partnership for bus services
- Reduce spend on support for mobility/ bus services in line with three year budget strategy
- Implement outcomes of bus network review programme in partnership with Councils
- Procure and implement a new Park & Ride service at Stourton
- Support delivery of Connecting Leeds bus transformation projects
- Apply new policy for home to school support
- Continue process of replacing MyBus services
- Adapt and expand range of Education Transport services provided to Councils
- Support the development of a Door to door transport Digital Hub in Leeds
- Develop and implement innovative transport services including East Leeds DRT
- Seek opportunities to further integrate AccessBus with health/ social care

Key Targets for 2019/20

- Reduce expenditure by 20% in line with budget strategy
- Reduce cost per mile of contracted bus services from £2 to £1.94
- Increase customer satisfaction with bus services in Transport Focus Bus Passenger Survey to 85% satisfied in line with the average for conurbations

Reducing the cost of Travel

Reducing the cost of travel through the following core activities and priorities

Core Activity

- Enabling over 155,000 under 19s to travel at half fare or less
- Enabling over 270,000 older and disabled people to travel on bus services free of charge under the national ENCTS free bus travel scheme.
- Providing reduced rail fares in West Yorkshire for older and disabled residents
- Issue and renewal of travel passes including eligibility checks
- Administration of £56m of payments to transport operators

Priorities for 2019/20

- Design and deliver new young people's concessionary fares scheme aimed at increasing bus use amongst under 25s at no increased cost to the Combined Authority

Key Targets for 2019/20

- Increase the number of bus journeys made by under 19s by 5%
- Increase percentage of concessionary passes ordered on line from 40% to 65%

Multi Modal Ticketing

Delivering the following core activities and priorities relating to multi modal ticketing:

Core Activity

- Providing the MCard range of multi modal smart travel tickets which enables customers to travel on bus and rail services around West Yorkshire. MCard has been identified as the largest smart ticketing scheme in the UK outside London
- 1.2 million MCard sales transactions per year retailed in local shops, on line, Travel Centres and business to business sales through the Travel Plan Network
- MCard is managed by a joint venture company co-owned by the Combined Authority and transport operators West Yorkshire Ticketing Company Ltd. The Combined Authority delivers the MCard under a Service Level Agreement with the ticketing company
- Administration and distribution of £32 million sales income per year

Priorities for 2019/20

- Deliver new MCard products and retail services with a focus on young people and mobile phone ticketing
- Develop services which enable digital payment for travel in line with a revised strategy to be presented to the Combined Authority Transport Committee in January 2019
- To innovate and extend the MCard product range and retail channels
- To move Combined Authority's yield on MCard from deficit to surplus

Key Targets for 2019/20

- Increase MCard sales of under 25s products (by volume and value) by 5%

Travel Centres

Delivering the following core activities and priorities relating to travel centres

Core Activity

- Operation of retail services at Castleford, Bradford, Halifax, Huddersfield, Leeds and Pontefract Bus Stations serving 400,000 customers per year
- Travel Centres sell ticketing products and coach holidays and provide bus station users with travel information and general enquiries
- The Combined Authority co funds the Arriva Travel Centre at Dewsbury Bus Station and provides a shop unit operated by Transdev at Keighley Bus Station
- All front line customer services (Travel Centres, Information and Bus Stations) are accredited annually by the Institute of Customer Services

Priorities for 2019/20

- Modernise the current counter sales offer to increase self service
- Devise and implement a plan to enable Travel Centres to be financially self-funding by 20/21

Key Targets for 2019/20

- Cost of Travel centre operation v income to be cost neutral by 2021
- Ensure mystery shopper scores consistently exceed 85%

Travel Information

Delivering the following core activities and priorities relating to travel information

Core Activity

- Providing the Metroline contact centre 400k customer interactions pa – telephone enquiries, webchat and social media output and interaction
- Providing the wymetro.com travel information portal. Each month this site receives over 2.5 million page views, and 60% of those pages are accessed by customers using smartphones and tablets
- Providing the real time bus information (yournextbus) system with screens at 1050 bus stops and enabling over 1 million people a year to access real time bus information on line or by scanning a bar code at a bus stop
- Providing timetable information at 14,000 bus stops bespoke to the services using each stop and posters in bus stations and key interchanges
- Publishing bus timetables and maps on line and in paper form – 3 million timetable downloads from wymetro.com pa

Priorities for 2018/19

- Deliver modernised information services in line with a revised strategy to be presented to the Combined Authority Transport Committee in March 2019
- Reduce the net cost of travel information services by 10% through efficiencies and increased income

Key Targets for 2019/20

- Ensure at least 95% of travel information enquiries to be made online
- Increase satisfaction with travel information from 80% to 84%

Assets and Facilities

Delivering the following core activities and priorities relating to assets and facilities

Core Activity

- Operation of staffed bus stations at Bradford Interchange, Castleford, Dewsbury, Halifax, Huddersfield, Keighley, Leeds and Pontefract
- Operation of a further 26 unstaffed bus stations and major interchanges
- Provision and maintenance of 14,000 bus stops and 5,000 bus shelters.
- Facilities management and office services of the Combined Authority's office buildings.
- Landlord services for operational and non-operational properties

Priorities for 2019/20

- Develop an Asset Management strategy which maximises the commercial potential of the Combined Authority's portfolio
- Support the Wellington House refurbishment project

Key Targets for 2019/20

- Increase proportion of asset management costs met by income to 55%
- Ensure average annual expenditure per on street asset does not exceed £124
- Ensure average net cost of bus stations does not exceed £0.61 per bus departure

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Transport Services budget summary: DRAFT		£
2019/20 Revenue Budget	Net revenue requirement	80,165,969
	Gross revenue expenditure	96,796,100
	Direct cost contribution Income:	
	Bus Services Operator Grant	(2,063,592)
	Education contribution to transport	(6,768,000)
	Bus station tenant income	(1,583,085)
	Bus station/services income	(2,848,798)
	Admin recovery (staff secondments)	(1,921,736)
	Capital recovery	(375,000)
	Other 3 rd party income	(1,069,920)

TRANSPORT SERVICES DRAFT KPI's

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Supporting Mobility	Bus Patronage West Yorkshire and Leeds Strategic Targets	+25%in 10 years (2028) Leeds +50% in	Annual	Monitored and reported through WY Bus Strategy and Connecting Leeds					
	Customer Satisfaction With Bus Services	To be set in bus alliance framework	Annual	Monitored through Transport Focus national survey					
	Budget Savings Target	£15.8 million 2020/21 spend	Monthly	Three year plan to reduce by 20%					
	Subsidy per passenger trip	£1.25 by 2020/21	Quarterly						
	Delivery against contract renewal and MyBus replacement programme	Completed yes/no	Quarterly						
	Cost per mile of supported local bus service contracts	£1.94 per mile	Quarterly	Measure of cost effective procurement					
	Mileage on supported local bus service contracts	8 million	Quarterly	Measure may be adapted to reflect innovation to service delivery					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Supporting Mobility	AccessBus patronage	400,000 trips per annum	Monthly						
	AccessBus cost per passenger trip	£7.00	Monthly						
	Education subsidy per passenger trip	↓ to decrease	Quarterly	Metrics to be set in 19/20 on adoption of new policy					
	Education contribution per statutory child from District Councils	↓ to decrease	Quarterly	Trend monitoring in conjunction with Councils					
	Cost per mile SEN contracts Wakefield	£1.85	Monthly						
	Number of managed events and road closures dealt with	Volume monitoring	Monthly	Demand determined by external parties					
	Personalised Transport SEND – ‘New Transport Requests’	Action within 5 working days							
	Quality Compliance Officers – to monitor each schools gross contract	Completed yes/no	Yearly						

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	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Supporting Mobility	Submit defect reports within 48 hours of inspection to operators	Completed yes/no							
	Applications for free travel in Leeds	processed within 15 working days	Total number and % within timescales to be						
	Applications for free travel in Bradford	Processed within 30 school days	Total number and % within timescales to be						
	Request for reviews of decisions to refuse free travel in Leeds	Processed within 20 Working days	Total number and % within timescales to be						
	Applications for 'in year' Priority PhotoCards	Processed within 5 working days	Monthly						
	Number of calls offered to Education Centre	Seasonally adjusted target	Monthly						
	Percentage of calls answered	95%	Monthly						

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Reducing Cost of Travel	ENCTS pass usage	41 million per annum	Quarterly	Monitored as part of smart transactions monitoring					
	Young people's bus usage	↑ to increase	Quarterly	Data assembly and target setting in progress					
	Cost to produce each ENCTS pass	↓ to decrease	Quarterly	Data assembly and target setting in progress					
	Concessionary Cost per journey	↓ to decrease	Annual	Data assembly and target setting in progress					
	Average length of time to process ENCTS passes	↓ to decrease	Quarterly	Data assembly and target setting in progress					
Multi Modal Ticketing	Cost of CA support to MCard in comparison to income	To be self funding in 19/20	Quarterly						
	MCard sales by volume and value	5% increase	Monthly	Monitored as part of WYTCL management accounts					
	Delivery against targets set in SLA with Ticketing Company	Completed yes/no	Monthly	Indicators and targets in SLA					

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Multi Modal Ticketing	Unique MCards in use / journeys per day, week, year	6,500 per week	Quarterly						
	Product split self serve v traditional outlet	To increase self serve	Monthly	Detailed set of data per retail channel					
	Product purchase by day of week	Management information	Quarterly	Detailed set of data per retail channel					
	Single operator / multi operator ratio (U19 product)	Management information	Quarterly	Detailed set of data per retail channel					
	Unique cards in use / journeys per day, week, year (perhaps included in Reducing cost of travel	Management information	Quarterly	Detailed set of data per retail channel					
	Estimated % Public subsidy of Operator Revenue	TBA	Quarterly	To be developed as part of Bus Alliance					
	Estimated % MCards of Operator Revenue	TBA	Quarterly	To be developed as part of Bus Alliance					

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	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Travel Centres	Cost of operation vs income	To be cost neutral by 20/21	Quarterly						
	Ticket Machine Transactions	8000	Monthly	To inform travel centre plans going forward, should see more ticket machine sales against travel centres over time.					
	Volumes of customer transactions - Information - MCard/third party sales	2,000 18,000	Monthly	Could include national holiday and mega bus sales					
	Mystery Shopping to maintain quality of Travel centre service	85% plus	Monthly						
Travel Information	% of information enquiries on line	95%	Monthly						
	Metroline contact volumes Voice call Webchat Email/ correspondence	25,000 2000 600	Monthly						

	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Assets & Facilities	Proportion of asset management costs met by income	55%	Quarterly						
	Net bus station operating costs per bus departure	£0.61	Annual						
	Number of people using our bus stations	TBA	Annual	Assembling from current footfall calculations					
	Net cost per person using our bus stations	TBA	Annual	Assembling from current footfall calculations					
	Average annual maintenance cost per on street asset (bus stop/ shelter)	£124	Annual						
	Revenue running costs - £/m2 (per bus station/office)	TBA							
	Energy usage and/or costs and rating (prop per m2, per property) Commercial portfolio cost and income / m2				Benchmarks and targets will be developed as part of the Asset Development Plan possibly utilising CIPFA property indicators to enable benchmarking				

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	Proposed Measure	Target	Measurement Frequency	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Other
Assets & Facilities	Number of defaults against contractual key performance indicators – against 4 contracts (JPB/FCS/BSL/ECG)	Management Information							
Transport Services General	Number of items of customer feedback about Combined Authority services	200	Monthly	Includes complaints, issues and compliments					
	Proportion of items of customer feedback responded to within 10 days	100%	Monthly						

Corporate Services: 2019/20 Draft Business Plan Summary

CORPORATE SERVICES VISION

Enabling the right solution

In 2019 the Corporate Services teams will be valued business partners to the rest of the organisation, operating systems and processes that are clearly defined and well understood with principles around self service and access to information that make them easy to use and that form the centrepiece of strong governance and accountability. ICT systems will be modernised and more integrated, with all Corporate Services teams working together to ensure a unified offer to the organisation. Internal strategies and policies will embed the principles of inclusive growth and clean growth with the Combined Authority demonstrating best practice in procurement and talent acquisition to champion those aims itself. This will enable clarity around expectations and responsibilities between managers across the organisation and support services.

Teams will be resilient and agile with structures enabling rapid redeployment across the team to respond to the changing needs of the organisation and with the skill sets to support the varied and growing agenda. The values and behaviours will be embedded in how the teams do business for both internal and external customers and both the added value and value for money they deliver for the Combined Authority will be clear.

2019/20 Corporate Services Directorate Overview

In 2019/20 the Corporate Services Directorate will continue to deliver supporting services to the rest of the organisation in order to enable overall organisational objectives to be met. In addition to these business as usual functions, the Directorate will also continue to deliver a programme of change activities which will include the following cross-cutting activities:

- Embedding a culture of integrated working across Corporate Services Teams to provide a unified offer for internal customers which is 'best in class'
- Review and enhance organisational design structures for each team to ensure these are delivering what was intended
- Embedding the partnering approach across all corporate services that shifts from transactional to strategic support.
- Designing and implementing new arrangements across all teams to support a LEP with revised geography
- Enable the organisation to become "Digital First" through the Corporate Technology Programme, this will improve employee efficiency, productivity and modernise ways of working.
- Embed Inclusive Growth principles across Corporate Services team's policies, in particular procurement and HR and to include consideration of living wage foundation accreditation.
- Further deliver and embed improved internal governance arrangements
- Development of new HR and Finance ICT systems to further embed self-service and improve efficiency in working practices
- Further develop and embed customer service principles/ways of working
- Further embed Flexible Ways of Working
- Produce improved management information to drive better decision making and compliance.

2019/20 Team Priorities

2019/20 Finance Team Priorities

Ongoing provision of Financial services and support including:

- Coordinating and reporting on statutory compliance activities,
- Annual budget planning process and ongoing monitoring activities
- Financial and management accounting
- Invoicing – verifying and processing payments to the value of approximately £15 million per month
- Debtor management – processing approximately 120 per month (approximately £1m)
- Payroll – managing payroll system for over 500 staff and Members' allowances for 30 councillors.
- Grant administration
- VAT administration/claims – claiming on average £200k - £300k per month.
- Financial reporting and advice

Additional Finance service transformation activities:

- Detailed analysis of finance/budget/HR system requirements to feed into new system specification
- Soft market testing of financial systems market
- Review and update of key financial policies/processes and user documents
- Finance manual development
- Further embed and review that OD Phase 1 is achieving expected outcomes.

2019/20 Corporate Planning and Performance Team Priorities

Ongoing Corporate Planning and Performance activities including:

- Annual business planning process
- Monitoring progress against corporate priorities
- Corporate risk management and monitoring activities
- Business continuity planning and testing
- Management information reporting and monitoring

Additional Corporate Planning and Performance service transformation activities:

- Programme management and support for the corporate transformation programme
- Providing support to key corporate projects including the Wellington House office accommodation and flexible working project and the Corporate Technology Programme
- Further digitising key corporate processes in association with roll out of new technology through the Corporate Technology Programme

2019/20 Procurement Team Priorities

Day to day procurement and contract management support:

- Delivery of 40 individual procurement projects to support the delivery of organisational goals
- Delivery of 10 strategic procurement projects to support delivery of corporate strategy
- Routine purchasing support
- Procurement pipeline planning
- Central Management of approximately 4 framework agreements and advising on a further 8 strategic contracts.

- Contract management activities
- Spend analytics and reporting

Additional procurement service transformation activities:

- People: Establish a mechanism for flexible procurement resource to fluctuating and rapid response requirements.
- Review team structure against future resource demands.
- Embed new improved processes including standard procurement document suite and procurement card usage and Improve systems to support efficient processes
- Inclusive growth/social value: ensuring Inclusive growth principles embedded into Procurement Strategy; implementing agreed social value criteria; introduce minimum standards for suppliers and common standards for contract management to reflect Inclusive Growth principles and reviewing “Good Growth Procurement Policy”
- Implement foundations for Stakeholder Management: Including undertaking supplier training with partners; implementing supplier self-service; review current collaborations and amend where needed; update internet site with “doing business with” and “how to” guides with FAQs.
- Roll out new Contract Management toolkit

2019/20 Governance Service Team Priorities

Ongoing Governance Services support:

- Overseeing the governance of the Authority and ensure effective, accountable and transparent decision making at both a political and officer level
- Undertaking the statutory role of Monitoring Officer
- Supporting members, all Boards and Committees and the development of new arrangements for the new LEP geography (supporting approximately 133 Members and 89 external-facing committee and panel meetings per annum)
- Overseeing and coordinating the production of agendas and reports ensuring papers are prepared in sufficient time and effectively considered
- Publishing agendas and minutes in accordance with the statutory and procedural requirements
- Supporting other key meetings outside the formal decision-making process and preparing minutes including Leaders, Chief Execs and Directors of Development
- Managing and administering the Authority’s and the LEP’s Codes of Conduct, maintaining registers of Interests and Gifts and Hospitality in accordance with statutory requirements and agreed procedures
- Providing advice and guidance to members and co-opted members of procedure rules and legislation relating to the codes of conduct, declarations of interest and conduct of meetings
- Supporting Overview and Scrutiny including the role of statutory Scrutiny Officer
- Overseeing the transparency and publication requirements for the Authority are effectively maintained

Additional Governance Service transformation activities:

- Increasing information and self service for customers including guides, toolkits and online documents and templates
- Introduce a programme of training/workshops/drop ins to increase the number of reports that are right first time for both committees and officer groups
- The outcome of a review of scrutiny arrangements may lead to the introduction of new scrutiny processes and systems
- Review transparency/publication requirements and opportunities for continuous improvement

2019/20 Legal Services Team Priorities

Ongoing Legal support services including:

- Support all areas of the business directly via a business partnering model
- Projects, procurement & contracts: providing advice and support to all schemes and projects, grant programmes and matters with a contractual element including state aid and commercial advice – advising on approx. 500 contracts per annum
- Property, planning & compulsory purchase: providing advice and support in relation to both the Authority's own asset portfolio and also in relation to projects and schemes
- Regulatory: providing advice and support in relation to all regulatory and compliance matters including health & safety, employment and litigation (including debt recovery and insurance claims) – including responding to approx. 90-100 Freedom of Information (FOI) inquiries each year
- Information Governance/Data Protection: providing advice and support in relation to the Authority's legal obligations in respect of data protection/GDPR and freedom of information/environmental regulation requests incorporating the statutory role of Data Protection Officer
- Governance: providing advice and support in relation to decision-making arrangements
- Devolution proposals – provide the lead legal advisor role across the West Yorkshire districts

Additional Legal service transformation activities:

- Leading a number of significant work streams as part of the creation of a new LEP with an increased geography
- Utilise the intranet to improve the efficiency of Legal & Governance Services with a focus on:-
- Greater promotion of services/expertise available to improve customer understanding
- Increasing the number of self service guides, toolkits and online documents and templates
- Information Governance – embed further data protection measures across the organisation
- Embed further integrated legal/procurement processes
- Internal Governance – embed improved decision making processes for officers and corporate structures, monitor their effectiveness and roll out a further phase

2019/20 Human Resources Team Priorities

Ongoing HR and Health and Safety support and strategic advice services for all 500+ employees and managers including:

- Policy development and advice
- Recruitment and contract administration
- HR System maintenance
- Supporting directorates in day to day staffing issues
- Learning and development activities
- Welfare support
- Absence management
- Health and safety advice
- Embed year 1 of the 5 Year Health and Safety strategy & implement year 2

Additional HR service transformation activities:

- Embed the business partnering model
- Increase manager self service options
- Revise and refine HR policies and procedures – further embedding values and behaviours into HR policies
- Rollout updated training programme for managers based around the employee lifecycle
- Increase number of apprentice opportunities at the Combined Authority

2019/20 Internal Audit Team Priorities

Provision of Internal Audit services:

- Providing independent assurance to and for the organisation
- Delivering the annual audit plan of 32 individual audit assignments per annum
- Providing assurance mapping
- Managing counter fraud processes and policies
- Provision and review of data analytics.
- To ensure compliance with grant conditions to promote Inclusive Growth principles

Additional Internal Audit service transformation activities:

- Identify areas where the internal audit service can be supplemented through the engagement of bought in specialisms.
- Explore options for secondments with Local Authority and Central Government Department stakeholders
- Develop communication and understanding of the role of internal audit through the completion of a stakeholder management strategy

2019/20 ICT Services Team Priorities

ICT support services including:

- Providing supporting ICT services and advice to the organisation including:
- ICT service desk service and issue resolution – with approximately 500 incidents raised per month
- Infrastructure support
- Hardware management
- Business systems management
- Cyber security services
- Software management and development – with 100 applications and online services supported
- Telematics – real time information system

Additional ICT service transformation activities:

- Delivering the Corporate Technology Programme including projects such as:
 - New end user hardware to support flexible working and support the organisation's transformational goals
 - Modern software solutions to improve access to data, digitise manual processes and increase efficiency
 - Systems to connect big data for reporting and business intelligence
 - Cyber security & PSN (Public Services Network) compliance
 - Enhanced disaster recovery & business continuity processes
 - Website harmonisation to improve user experience and reduce overhead resource

Corporate Services budget summary: DRAFT		£
2019/20 Revenue Budget	Net revenue requirement	3,739,712
	Gross revenue expenditure	5,402,686
	Direct cost contribution Income: Capital recovery	(1,150,564)
	Recovery from other directorates for direct support	(512,410)

DRAFT CORPORATE SERVICES KPI's

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21st C transport	Clean Growth	Corporate
General	% of internal customers 'satisfied/very satisfied' with the overall service they receive from Corporate Services Teams	90%	Bi-annually	Internal staff snapshot survey					
Finance	Paying undisputed invoices within 30 days	100%	Quarterly	Consideration being given to specific target for SME/VCS					
	Achieving a balanced financial outturn.	100%	Monthly	Regular reports to CA and quarterly to G and A Committee					
	Achieving statutory compliance on financial matters.	100%	Monthly	VAT, HMRC, Pension, Annual Accounts, govt returns etc.					
	Debt recovery – 100% recovered and / or debtor invoices issued on time (100%)	100%	Monthly						
	Payroll - paying staff accurately	<1% error rate	Monthly						
	Implement plan for delivery of replacement/updated financial system (including budgets/ HR / payroll)	By end Q1	EOI produced						
	Embedding the new Finance OD:Improved financial info to Directorates and cost savings/income generation	Monitor							

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Finance	Finance Process improvements (though linked to System and new OD): <ul style="list-style-type: none"> Process improvements – efficiencies re payroll, invoices processed/paid, debt recovered (cashable/ non cashable). 	Monitor	Yr on yr increase in productivity	Increased volumes of work with same resources					
Procurement	No. of successful legal challenges on procurement	0	No. of Challenges						
	Procurement savings as a % of addressable spend	5%	£ saved against budget						
	Procurement return on investment.	5 times cost of the team.	£ saved compared to cost team.						
	Project Delivery - ensuring delivery of the pipeline of projects	40 projects	No of project completed.						
	Timeliness of delivery	100% of projects complete on time	RAG status at point of delivery against agreed project plan.	Measure only applies to issues under the control of procurement. Business delays will not be taken into account.					

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Procurement	Procurement strategies will include incorporation of social value for all procurement over £25k	100%	No of procurement strategies	All procurements must have procurement strategy complete.					
HR	Headcount by organisation and by directorate	Monitor	Annually	Establish baseline and set longer term target					
	Average absence (as % of workforce) Organisation wide, by Directorate	2%	Monthly	average for public sector currently 2.6%					
	Cost of absence Organisation wide, by directorate	Monitor		Establish baseline and seek achieve year on year reduction					
	Increase in women in management roles	Monitor	Annually	Establish baseline and set longer term target					
	Increase of BAME across organisation	Monitor	Annually	Establish baseline and set longer term target and actions					
	Delivery of People Strategy	End of Q3	Strategy published						
	Development of new grading structure	Dec 2019	Agreed structure in place						
	Launch of and training in application of new policies	Tranche 1 by end Q1	Policies published	Policies to be updated in line with requirements of people strategy					
	Increase in number of apprentices	12	Quarterly	Or to ensure the apprenticeship levy is utilised					

DRAFT

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
HR	Number of training days per employee	Monitor	Annually	Establish baseline and set longer term target					
	Turnover of staff	Monitor	Quarterly	Establish baseline and set longer term target					
	No of internal transfers as a percentage of the workforce	Monitor	Quarterly	Establish baseline and set longer term target					
	No of successful recruitment exercises undertaken	Monitor	Quarterly	Establish baseline					
	Time taken to recruit to vacant posts	100%	Quarterly	To be agreed with each client at outset					
	Length of time to issue offer letters	Monitor	Quarterly	Establish baseline and set target					
	Length of time to issue contracts of employment	Monitor	Quarterly	Establish baseline and set target					
ICT	% Real-Time, Yournextbus: Vehicles Being Tracked	78%	Quarterly						
	% Core Network Up Time	99%	Monthly						
	% Microsoft Cloud availability	99%	Quarterly						
	% Business critical systems availability	98%	Quarterly						

	Indicator	Target	Measure	Notes	Productivity	Inclusive Growth	21 st C transport	Clean Growth	Corporate
Internal Audit	Provide an independent opinion on the effectiveness of the Combined Authority's control, risk management and governance arrangements	100% of audit programme achieved	Quarterly	Opinion provided annually, evidence gathered via audit programme so provides proxy measurement on achievement					
	Improve delivery of IA services.	80% positive response	Quarterly	Via audit questionnaires					
Legal & Governance	Meeting FOI/EIR deadlines	100%	Quarterly						
	Compliance with statutory requirements re committee agenda publication	100%	Quarterly						
	Toolkits for self-service across a minimum of 2 legal areas to be produced	2 toolkits	Quarterly						
	Information governance improvements/GDPR compliance	100% actions achieved on time	Monthly	Monitored against GDPR action plan, reported to Regulatory and Compliance Board					
	Timeliness of delivery re contracts/advice	Per agreements	Quarterly	To be agreed with each client					
	Compliance with governance elements of assurance framework: LCR LEP Merged LEP	100% actions achieved on time	Quarterly	As per plans agreed by the LEP Transition Board					

West Yorkshire Combined Authority - Summary

75%

Title	Budget	December 2018		RAG	2018/19 Forecast £
	2018/19 £	Actual £	%		
Expenditure					
Salary & Pay Related Costs	20,919,698	14,082,419	67.3%	Reflects above average staff vacancies during the year	18,823,400
Indirect Employee Related Costs	556,450	566,800	101.9%	Overspend attributable to recruitment costs to vacant posts - see above	556,350
Premises Related Costs	6,184,194	4,570,503	73.9%	Spending in line with expectations - rents, rates paid in advance	6,414,684
Travel, Transport & Subsistence Related Costs	112,984	85,888	76.0%	Spending in line with expectations	123,402
Member Related Costs	153,168	106,249	69.4%	Spending in line with expectations	221,168
Office Supplies & Services	540,050	448,492	83.0%	Spending in line with expectations - spend profile not even during the year.	657,452
ICT & Telephony Costs	2,342,778	1,678,918	71.7%	Spending in line with expectations - ICT & telephony charges paid in advance	2,274,960
Professional & Consultancy Fees	2,296,718	1,583,285	68.9%	Spending in line with expectations	2,521,223
Corporate Subscriptions	39,398	25,750	65.4%	Spending in line with expectations - corporate memberships paid in advance	19,783
Marketing & PR Costs	1,315,079	804,254	61.2%	Spending in line with expectations - significant proportion of costs recovered	1,427,776
Insurance	279,400	305,402	109.3%	Small overspend due to impact of previous year claims history	302,400
Operator Payments (Transport)	27,397,250	21,605,517	78.9%	Spending slightly ahead of expectations - plans in place to address before year end	26,557,978
Pre Paid Ticket Cost	31,500,000	23,800,978	75.6%	Cost matched by income (see below) ##	32,500,000
Concessions	56,270,200	41,682,731	74.1%	Spending in line with expectations	55,445,118
Additional Pension Costs	2,245,800	1,916,054	85.3%	Spending in line with expectations - impact of one annual payment £1.3m	2,204,800
Financing Charges	5,670,000	1,545,056	27.2%	Spending in line with expectations - charges accrued at the year end	4,930,000
Grants	3,893,861	400,286	10.3%	Low spend below expectations - due to timing of payments	921,101
Other Miscellaneous Costs	514,958	326,874	63.5%	Spending in line with expectations	1,465,252
Contribution to External / Related Parties	277,606	81,885	29.5%	Spending in line with expectations - further spend expected in quarter three	283,379
Additional Savings Target	(1,455,000)	0	0.0%	Staff budget saving target - to offset against savings in salary budget above.	0
Contingency	200,000	0	0.0%	Pay award - to add to salary / pay budget	0
Total Expenditure	161,254,592	115,617,338	71.7%		157,650,226
Income					
Rail Admin Grant	(918,000)	(612,308)	66.7%	Received in arrears - forecast is £878k due to reduction	(878,000)
LEP General Funding Income	(1,234,000)	(500,113)	40.5%	Received in arrears and towards year end	(1,234,000)
Growing Places Fund Interest	(200,000)	(206,266)	103.1%	Received in arrears	(380,000)
Enterprise Zone Receipts	(1,968,000)	(15,867)	0.8%	Received in arrears - currently at year end	(1,618,849)
Transport Levy	(94,198,000)	(84,778,586)	90.0%	10 instalments - nine received to date	(94,198,000)
Bus Service Operator Grant (BSOG)	(1,942,000)	(2,063,592)	106.3%	Received in full at the start of the year	(2,063,592)
Education Contribution to Transport	(6,768,000)	(3,116,176)	46.0%	Received in arrears	(6,768,000)
Bus Station Tenant Income	(1,472,464)	(1,195,847)	81.2%	Some receipts in advance / others in arrears. Overall on budget.	(1,487,236)
Bus Station / Services - Other Income	(2,866,121)	(1,659,458)	57.9%	Received in arrears	(2,876,477)
Admin Recharges	(5,349,498)	(4,028,743)	75.3%	Received in arrears	(2,225,629)
Capitalisation of Revenue Costs	(3,381,887)	(1,911,634)	56.5%	Received in arrears	(4,110,405)
Pre Paid Ticket Income	(31,819,412)	(23,880,704)	75.1%	Income matches expenditure (see above) ##	(32,500,000)
Other Income	(7,684,973)	(3,066,096)	39.9%	Received in arrears - being reviewed with budget holders.	(6,307,021)
Total Income	(159,802,355)	(127,035,389)	79.5%		(156,647,209)
Net Expenditure	1,452,237	(11,418,051)	-786.2%		1,003,018

West Yorkshire Combined Authority - Summary 2019/20 Budget

Expenditure	Delivery £	Economic Services £	Policy, Strategy & Comms £	Corporate Services £	Corporate (other) £	Transport Services £	Total £	2020/21 Total £
Salary & Pay Related Costs	4,198,684	3,569,702	5,694,884	3,372,823	529,184	6,209,343	23,574,620	24,194,453
Indirect Employee Related Costs	450	3,500		385,000			388,950	377,950
Premises Related Costs						6,238,026	6,238,026	5,981,606
Travel, Transport & Subsistence Related Costs	3,500	27,172	20,000	6,500	14,000	40,490	111,662	94,062
Member Related Costs					220,000	1,168	221,168	221,168
Office Supplies & Services				54,800		455,950	510,750	541,750
ICT & Telephony Costs	50,000		58,971	1,413,094		1,092,067	2,614,132	2,457,591
Professional & Consultancy Fees	200,000	1,169,240	839,000	158,600	66,610	380,100	2,813,550	1,758,611
Marketing & PR Costs		1,307,255	525,500			244,891	2,077,646	1,136,355
Insurance					304,900		304,900	304,900
Operator Payments (Transport)						25,601,325	25,601,325	24,655,336
Concessions						56,446,802	56,446,802	55,777,810
Additional Pension Costs					2,301,600		2,301,600	2,281,600
Financing Charges					5,465,000		5,465,000	5,570,000
Grants		2,653,708					2,653,708	1,862,564
Third Party Delivery		3,770,479					3,770,479	3,480,526
Miscellaneous Costs	500		2,250	2,400	305,500	82,424	393,074	93,074
Contribution to External / Related Parties				9,468	311,761	3,515	324,744	323,951
Staff Vacancy Savings Target			(446,619)		(600,000)		(1,046,619)	(1,049,989)
Total gross revenue expenditure	4,453,134	12,501,057	6,693,986	5,402,686	8,918,555	96,796,100	134,765,517	130,063,318
Direct cost contribution								
Govt grants and awards		(10,695,903)					(10,695,903)	(5,532,881)
Bus services operator grant						(2,063,592)	(2,063,592)	(2,063,592)
Education Contribution to Transport						(6,768,000)	(6,768,000)	(6,768,000)
Bus Station - Tenant Income						(1,583,085)	(1,583,085)	(1,574,566)
Bus Station / Services Income (PPT, Depart Chgs)						(2,848,798)	(2,848,798)	(2,881,604)
Admin Recovery (Staff Secondments)			(261,000)			(2,144,536)	(2,405,536)	(2,383,536)
Capital recovery	(4,627,370)	(490,936)	(1,373,671)	(1,150,564)		(152,200)	(7,794,741)	(8,037,314)
Other third party income		(398,976)	(350,000)		(20,000)	(1,069,920)	(1,838,896)	(1,672,896)
Net revenue requirement	(174,236)	915,241	4,709,315	4,252,122	8,898,555	80,165,969	98,766,966	99,148,929
Funding available								
Rail Income							(878,000)	(439,000)
LEP General Funding Income							(1,234,000)	(1,234,000)
Growing Places Fund Interest							(300,000)	(200,000)
Enterprise Zone Receipts							(1,958,320)	(2,126,054)
Transport Levy							(93,198,000)	(92,198,000)
Net Expenditure Total							1,198,646	2,951,875

PRUDENTIAL FUNDING STATEMENT

- 1 This statement has been prepared in accordance with the CIPFA Code of Practice 'Treasury Management in Local Authorities' which is re-adopted each year by Members of the Authority. The statement and its implementation is currently reviewed and updated twice annually, in the final accounts and budget reports.
- 2 The Local Government Act 2003 and Local Authorities (Capital Finance and Accounting) Regulations 2003 set out the system of capital finance to be followed by all local authorities from 2004. This appendix is intended to take account of the requirements of the regulations and to set them in the context of the Treasury Management Code of Practice.
- 3 This report assumes further borrowing may be required in 2019/20, increasing in subsequent years. The borrowing is required to support the delivery of the full West Yorkshire plus Transport Fund, to support internal capital projects and to support projects within the Growth Deal programme that may be delivered after 2021 when funding ceases. Estimates of the likely funding required are set out in the capital annex and further work is underway to ensure there is a full robust programme of delivery for all schemes that will enable the borrowing requirements for future years to be fully understood. In the short term new borrowing requirements are likely to be reduced by the use of cash and available reserves.

Treasury management activity – borrowing and investments

	£m
Total Loans outstanding at 1/4/2018	
Fixed Term I Fixed (incl LOBOs)	75.0
Activity expected during 2018/19:	
Loan repayments	0.0
Net movement in temporary loans	0.0
New borrowing	0.0
Anticipated loans outstanding at 31/3/2019:	<u>75.0</u>
 Activity expected during 2019/20	
New borrowing	0.0
Borrowing Repaid	0.0
Anticipated loans outstanding at 31/3/2020:	<u>75.0</u>
 Total Investments	
Investments at 1/4/2018	133.0
Net of new Investment / repaid in year	20.0
Anticipated Investments placed at 31/3/2019	<u>153.0</u>

- 4 The current financial year has seen generally a continuation of the overall economic situation. Interest rates have remained low, although bank base rate did rise in August 2018 from 0.50% to 0.75%. Opportunities both to refinance loans and to place money on the market at competitive rates remain limited.

- 5 Leeds City Council undertakes the monitoring of the financial markets on behalf of the Combined Authority. The agreed policy is to seek to minimise the rates at which the Combined Authority borrows and to continue to refinance any longer term loans if rates appear advantageous.
- 6 No such opportunities have arisen so far in 2018/19. The Combined Authority has a loan portfolio with competitive rates and the economic climate has been such that there have been no suitable opportunities identified for refinancing.
- 7 The business planning and budget report sets out the estimated requirement for borrowing to supplement the capital grants received. The calculations in the annex demonstrate how this works through the capital financing requirement and set out the financing costs which are then included within the revenue budget.
- 8 Since April 2015 when the Combined Authority became the accountable body for the Leeds City Region Enterprise Partnership (LEP) cash balances have been high as a result of the Growth Deal funding paid in large instalments at the start of each financial year. Over the past three years the limits and counterparties have been kept under regular review to ensure the sums available for investment are able to be placed appropriately. The Combined Authority has continued to utilise call arrangements in place with Svenska and Leeds City Council rather than leave money overnight with in our main Natwest account whose rate is lower at 0.30%. For longer term deposits the selected counterparties are constantly monitored and meet the strict eligibility criteria stipulated under Leeds City Council's investment policy which has been adopted by the Combined Authority. This approach will continue during 2019/20 with an expectation that the Combined Authority will continue to have cash balances to invest due to the advance payment of capital and other grant funding. Within the existing policy the Combined Authority can also invest in money market funds and this opportunity may also be taken to enable effective management of what is expected to be further significant cash advances 2019/20 of Growth Deal and other potential funding initiatives.
- 9 The general level of borrowing and investments is handled efficiently by Leeds City Council and has produced a situation where the Combined Authority has, in relative terms, very low borrowing costs. Regular meetings are held with the Leeds City Council staff who undertake treasury work for the Combined Authority under the terms of a signed service level agreement, and these meetings ensure a satisfactory level of control and monitoring is achieved. These meetings also consider the overall treasury management strategy and ensure that the policies in place continue to be appropriate to ensure that the Combined Authority's funds are managed in the most effective and secure way.
- 10 The Combined Authority has strict rules on investment criteria which are set out in paragraphs 11 to 13 for consideration and re-approval. These are set so as to minimise the risk to the Combined Authority's funds but does also mean that interest earned on deposits is lower than it could be. It is therefore in the Combined Authority's interest to seek to utilise any cash balances to reduce the costs of long term borrowing and this policy will continue to be

pursued if possible. The increase to the Public Works Loan Board (PWLB) rates, initially announced in October 2010, reduced the opportunities to repay long term debt without incurring extra cost. The PWLB rates were later improved through the introduction of a certainty rate reduction but discount rates have not changed and it is these rates that are used to determine premiums and discounts on loan repayments. The Combined Authority would incur significant premiums by repaying borrowing but will review this situation as and when interest rates start to rise.

Treasury Management Activity – Investments Criteria

- 11 In general it is intended there should be no long term investments by the Combined Authority with any surplus cash being invested short term up to a maximum term of one year. The level of future investments will fluctuate on a short-term basis due to cash flow requirements but will be maintained as low as possible. Any investments undertaken by the Combined Authority follow the guidance of the Ministry for Housing, Communities and Local Government ((MHCLG) having regard to the concept of security, liquidity and then yield with emphasis being placed on the “return of funds” rather than the “return on funds”.
- 12 It is proposed that the existing policy of utilising the expertise of the Treasury Management Team in Leeds City Council be reaffirmed for 2019/20.
- 13 The Combined Authority has a number of rules in place for short term investments/borrowing, as set out below and that these should continue to be applied, with changes highlighted in bold below:-
 - a. The Chief Financial Officer shall determine the amounts and periods.
 - b. The procedural document as approved for their Treasury Management Division by Leeds City Council shall be adopted in relation to the Combined Authority's short-term investments encompassing the Council's list of approved financial organisations and the maximum lending limits per organisation, as specified in that document from time to time.
 - c. No investment will be for a period exceeding 12 months other than with other local authorities and then only for a period not exceeding 36 months. The limits for each of the next three years are that for investments for a period greater than 364 days, that no more than £20m will mature in each of 2019/20, 2020/21 and 2021/22.
 - d. Investments with Leeds City Council will not exceed £15m, the interest rate for such deposits being agreed between the Chief Financial Officers of both organisations.
 - e. Investments with any one counterparty should not exceed £15m other than in c above.

- f Investments with the Combined Authority's bankers are specifically excluded from the limits set out, in recognition of the fluidity of such arrangements.
- 14 The proposals above would provide the flexibility for the Combined Authority to invest its surplus funds which, as they are expected to continue to increase, will become increasingly difficult to place on the market. The proposals are deemed low risk and are in accordance with the criteria applied by Leeds City Council to its treasury arrangements.

PRUDENTIAL FUNDING ARRANGEMENTS

- 15 The principal purpose of the prudential system is to allow authorities as much financial freedom as possible whilst requiring them to act prudently. There will be no government borrowing approvals issued but restrictions are imposed through the CIPFA Prudential Code which requires every authority to set prudential indicators and limits and thus be satisfied that it can afford the results of its borrowing. These limits, which must not be exceeded, have to be formally agreed by the authority before the start of each financial year. The government has retained the power to, if it so wishes, limit the level of borrowing incurred by authorities.
- 16 The Code requires full capital and revenue plans to be prepared for at least three years forward in order to assess the financial effects of the planned capital investment. In this Authority the three year financial strategy is considered by Members on a regular basis and to ensure a level of affordability it is currently the policy that borrowing to meet capital expenditure will be limited to proposed levels. Restricting borrowing in this way ensures that all debt charges are covered by the Combined Authority through its levy on the Districts.
- 17 The capital programme is considered in detail earlier in this report. It should be noted that in accordance with the above, overall capital expenditure will be met firstly by grants and other resources leaving the balance to be met by borrowing or through charges to revenue.
- 18 There are significant levels of grant provided to the Combined Authority under the Integrated Transport block (LTP), Leeds Public Transport Investment Programme (LPTIP) and Growth Deal for the next few years. Recognising the demands upon infrastructure investment it is proposed that other alternative methods of financing during the year remain under consideration as and when appropriate. As an example leasing might be used for the acquisition of vehicles. The financial viability and value for money of such methods will require investigation and savings found within the budget to accommodate the costs involved. Members will be asked to approve any such methods before they are implemented.
- 19 Discussions were concluded, following approval to do so in 2016, with the European Investment Bank (EIB) regarding the provision of an option whereby it could provide a flexible financing offer to support the West Yorkshire Plus Transport Fund. Many of the schemes in the Fund meet the

EIB funding criteria and this provides an attractive alternative to the traditional PWLB lending. A final contract has now been entered into for a five year borrowing facility. The UK's decision to withdraw from the European Union does not preclude this arrangement taking place.

- 20 It is not proposed at this stage that the Combined Authority enter into any credit arrangements as defined by the regulations, other than as described above. If and when these are to be progressed then it should be recognised that they would be classified as borrowing and would need to be recognised in the operational boundary and authorised limit approval. Should any such arrangements be required these will be expected to be funded within the approved strategy.
- 21 When Leeds City Council and the Combined Authority last reviewed the borrowing limits in the light of market rates they determined that they would allow the limit to be set at a level sufficient for the current year plus the equivalent of two years anticipated borrowing requirement which is derived from the capital allocations. This was intended to provide flexibility for fund management allowing borrowing to take place when rates are low rather than being tied into strictly annual borrowing.
- 22 The Annex initially creates limits set at the required level of borrowing for 2018/19 and 2019/20. To provide more flexibility in managing the funding operation it was previously agreed that approval be given to borrow to cover loan requirements for the current plus the following 2 years. In view of the change to the LTP allocation from borrowing to grants this is now irrelevant and will only be applied if any new major schemes are approved. Such approval will therefore be sought at that time.
- 23 The attached Annex shows the calculation of the following prudential indicators:
- a. The ratio of debt charges to overall expenditure. This is not significant to the Combined Authority as it is effectively controlled through the level of the levy (as referred to above).
 - b. Setting the borrowing requirement for the year (similar to total loans outstanding) but called 'the operational boundary'.
 - c. Setting the maximum borrowing permitted in the year defined as 'the authorised limit'. This is £20m higher than the operational boundary to create flexibility to allow temporary additional borrowing (for example to cover abnormal or exceptional cashflow movements).
 - d. Setting the maturity loan structure which is defined as 'amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate' as well as the draft capital programme. These are set out in the Annex.
- 24 The Prudential Code requires Members to have an approved Treasury Management Policy (this is set out above) and to agree limits for variable and fixed rate loans. It is recommended that the maximum limit for variable rate

loans continues to be set at 40% and the limit for fixed rate loans remains at 200%. This reflects the current position that arises from the increase in cash balances and investments resulting from an increase in advance grant funding.

- 25 The Prudential Code for capital has been updated as at December 2018 and is to be implemented from 2019/20 financial year. In summary it re-emphasises that local authorities must ensure that all of its capital and investment plans and borrowing are prudent and sustainable. In doing so it will take into account its arrangements for the repayment of debt and consideration of risk and the impact, and potential impact, on the authority's overall fiscal sustainability. While indicators for sustainability are required to be set over a minimum three year rolling period, indicators should be set in line with a capital strategy and asset management plan that is sustainable over the longer term.
- 26 Determining a formal capital strategy for the authority is a new requirement in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The strategy, in a high level view, sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The capital strategy should form a part of the authority's revenue, capital and balance sheet planning.
- 27 A draft capital strategy is in preparation, with the final version to be in place from April 2019.

West Yorkshire Combined Authority**Capital Financing Annex****Summary Capital Programme**

	2018/19	2019/20	2020/21	2021/22
Expenditure per programme	£000	£000	£000	£000
Local Transport Plan	9,335	20,000	19,093	13,104
Highways Maintenance Plan	34,630	32,320	31,550	31,550
Major scheme Expenditure	1,905	6,971	712	119
Non LTP Funding (transport)	20,412	76,005	81,725	17,614
Growth Deal	84,878	121,603	159,275	200,696
Other economic growth funding	12,124	6,386	3,172	4,072
	163,284	263,285	295,527	267,155
Financing				
LTP Grant	13,104	13,104	13,104	13,104
LTP Grant carry forward	9,116	12,885	5,989	
Highways Maintenance Plan	31,550	31,550	31,550	31,550
Major scheme Expenditure				
Non LTP Funding (Excluding Majors)	2,810	63,773	81,725	17,775
Growth Deal & Economy	74,349	73,510	100,340	40,000
Other economic growth funding	11,458	6,826	3,024	1,306
Carry forward	107,494	75,933	18,873	18,725
Borrowing requirement	2,221	10,566	59,647	160,815
Total Funding Available	252,102	288,147	314,252	283,275

Calculation of Prudential Indicators:

	2018/19	2019/20	2020/21	2021/22
AFFORDABILITY	£000	£000	£000	£000
Ratio of financing costs to net revenue stream				
Debt Charges	4,897	4,358	4,863	9,258
Levy	99,901	98,901	97,901	96,901
(Assumes continuing levy freeze)				
Resultant ratio:	4.9%	4.4%	5.0%	9.6%

Notes: All additional debt charges should be covered by Levy

PRUDENCE

Net external borrowing does not exceed the total of capital financing requirement in previous year plus the estimate of any additional financing requirement for the current and later years.

	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000
Loans outstanding at 1 April	76,500	75,500	75,000	295,462
Estimate of Capital Financing Requirement (CFR)	78,092	77,189	84,667	140,927
Additional borrowing requirement in year	2,221	10,566	59,647	160,815
Less debt repayments in year	-3,124	-3,295	-3,387	-5,637
Estimate of (CFR) 31 March	77,189	84,667	140,927	296,105
Calculated Operational Boundary	80,313	87,755	144,314	301,742
Safety factor	20,000	20,000	20,000	20,000
Forecast Authorised Limit	100,313	107,755	164,314	321,742

Maturity of Loan Structure	Minimum	Maximum	Authority	Projected 31/03/2019	
Loans up to 1 year	0%	30%	0	0%	
Loans between 12 and 24 months	0%	20%	0	0%	
Loans between 24 months and 5yrs	0%	50%	0	0%	
Loans between 5 and 10 years	0%	75%	0	0%	
Loans between 10 and 20 years			0	0%	
Loans between 20 and 30 years			0	0%	
Loans between 30 and 40 years	25%	100%	50,000,000	67%	100%
Loans between 40 and 50 years			15,000,000	20%	
Loans 50 years +			10,000,000	13%	
			75,000,000	100%	