



LIGHT TOUCH REVIEW OF THE INVESTMENT PLAN

22 JULY 2005

LIGHT TOUCH REVIEW

1. INTRODUCTION

We are now a year into Investment Planning.

In this year our priority has been to amend and consolidate our structures and processes, review our memberships and terms of reference and develop our communications to meet the immediate needs of Investment Planning.

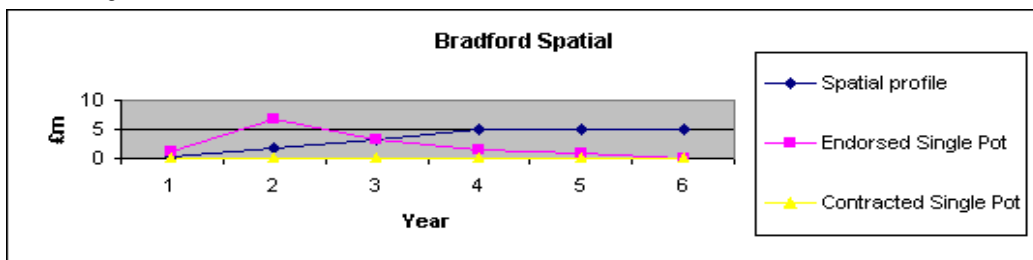
This has enabled us to quickly move to a position where programmes and projects accounting for nearly two thirds of the Single Pot £200m 5 year programme have been developed and endorsed by the Partnership. This has resulted in us achieving £14m of spend in 2004/05 against a £4m target.

2. FINANCIAL OVERVIEW.

The following graphs and tables show our committed and endorsed projects against the single pot notional allocation. The information is shown for 6 years, which includes the new allocation for 09/10.

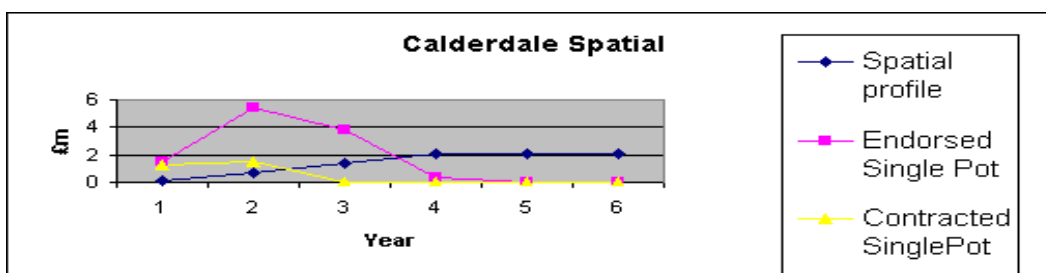
BRADFORD SPATIAL

| | 1 | 2 | 3 | 4 | 5 | 6 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Spatial profile | 0.339 | 1.658 | 3.363 | 4.907 | 4.907 | 4.907 |
| Endorsed Single Pot | 1.3 | 6.702 | 3.133 | 1.325 | 0.925 | 0 |
| Contracted Single Pot | 0 | 0 | 0 | 0 | 0 | 0 |



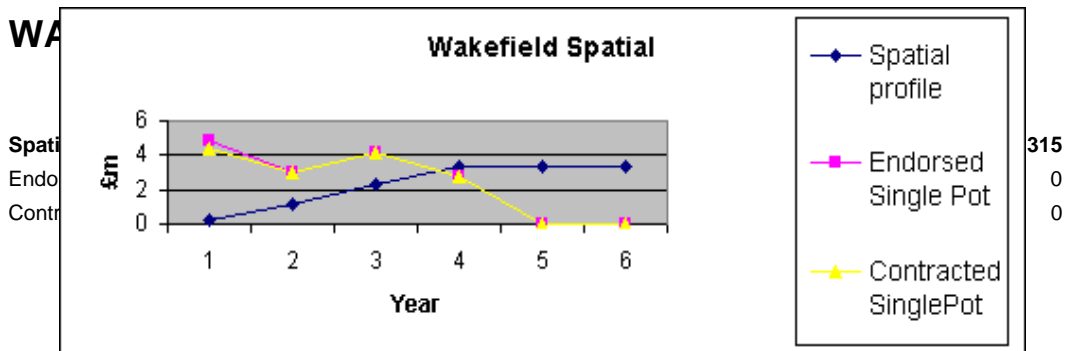
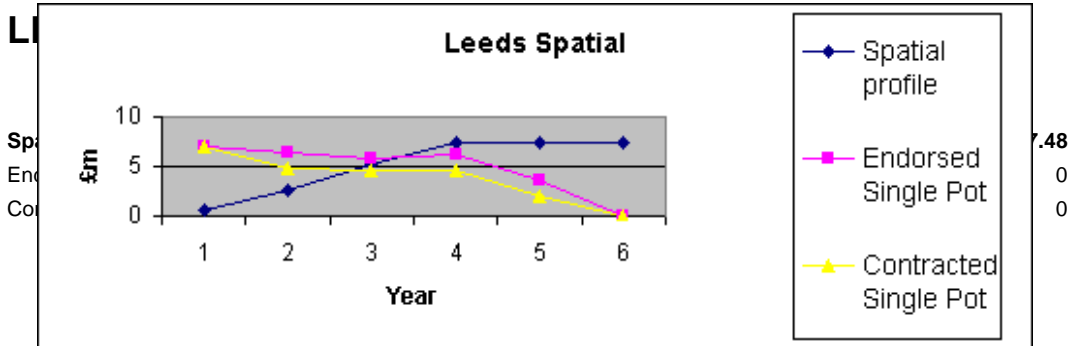
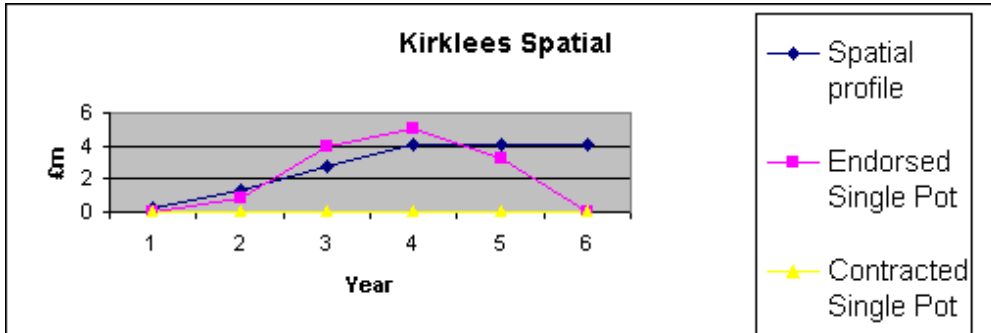
CALDERDALE SPATIAL

| | 1 | 2 | 3 | 4 | 5 | 6 |
|------------------------|-------------|--------------|-------------|--------------|--------------|--------------|
| Spatial profile | 0.14 | 0.685 | 1.39 | 2.028 | 2.028 | 2.028 |
| Endorsed Single Pot | 1.523 | 5.428 | 3.764 | 0.341 | 0 | 0 |
| ContractedSinglePot | 1.219 | 1.516 | 0 | 0 | 0 | 0 |



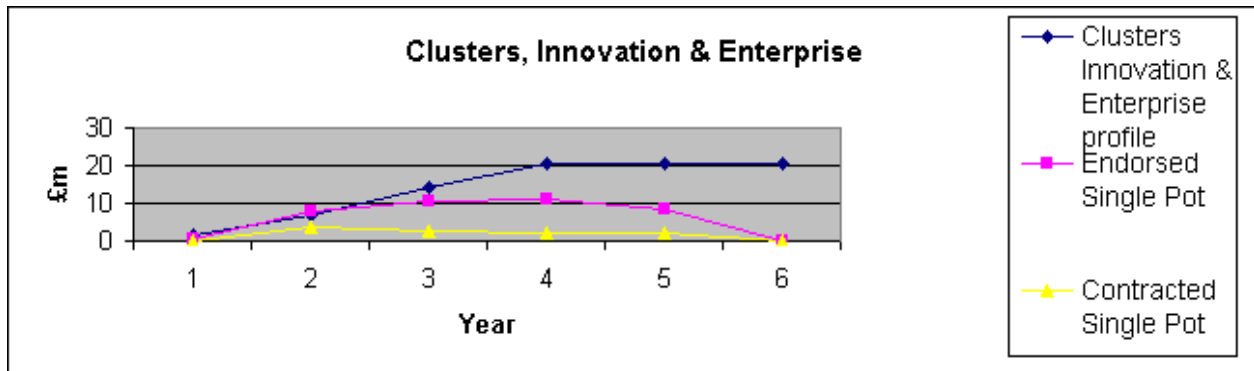
KIRKLEES SPATIAL

| | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------------------|-------|-------|-------|-------|-------|-------|
| Spatial profile | 0.282 | 1.378 | 2.795 | 4.078 | 4.078 | 4.078 |
| Endorsed Single Pot | 0.05 | 0.89 | 3.987 | 5.068 | 3.255 | 0 |
| Contracted Single Pot | 0 | 0 | 0 | 0 | 0 | 0 |



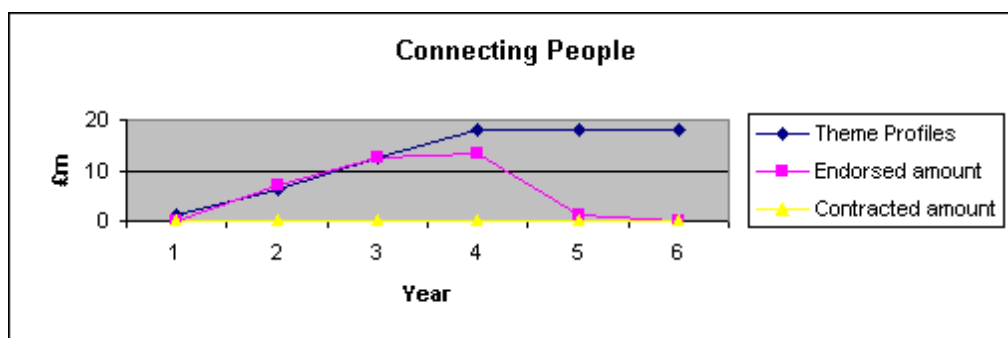
Clusters Innovation & Enterprise

| | 1 | 2 | 3 | 4 | 5 | 6 |
|---|-------------|-------------|--------------|-------------|--------------|--------------|
| Clusters Innovation & Enterprise profile | 1.43 | 6.99 | 14.19 | 20.7 | 20.69 | 20.69 |
| Endorsed Single Pot | 0.38 | 7.877 | 10.784 | 10.986 | 8.238 | 0 |
| Contracted Single Pot | 0 | 3.435 | 2.87 | 2.32 | 2.02 | 0 |



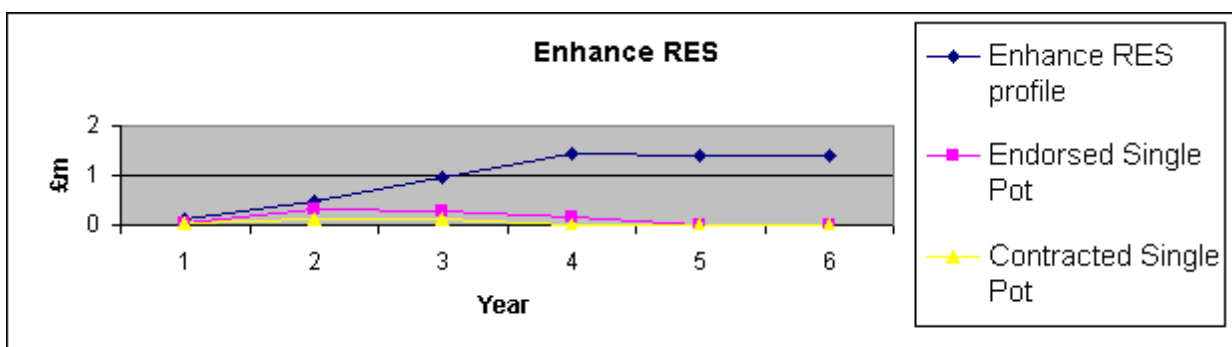
Connecting People

| | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------------------|-------------|------------|--------------|--------------|--------------|--------------|
| Theme profiles | 1.25 | 6.1 | 12.36 | 18.03 | 18.03 | 18.03 |
| Endorsed Single Pot | 0.132 | 7.235 | 12.635 | 13.438 | 1.034 | 0 |
| ContractedSinglePot | 0.025 | 0.04 | 0 | 0 | 0 | 0 |



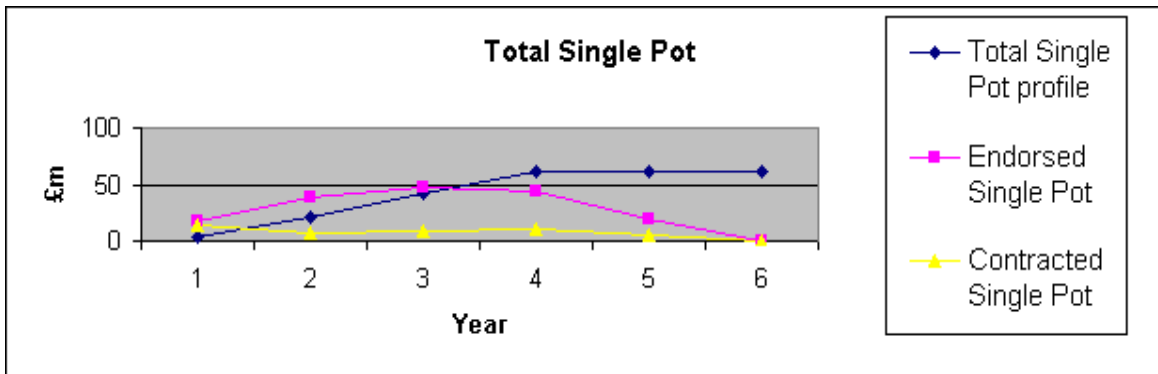
Enhance RES

| | 1 | 2 | 3 | 4 | 5 | 6 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Enhance RES profile | 0.11 | 0.48 | 0.98 | 1.43 | 1.42 | 1.42 |
| Endorsed Single Pot | 0.055 | 0.313 | 0.298 | 0.178 | 0 | 0 |
| Contracted Single Pot | 0.043 | 0.129 | 0.107 | 0 | 0 | 0 |



TOTAL SINGLE POT

| | 1 | 2 | 3 | 4 | 5 | 6 |
|---------------------------------|------------|--------------|--------------|--------------|--------------|--------------|
| Total Single Pot profile | 4.3 | 20.94 | 42.48 | 61.97 | 61.95 | 61.95 |
| Endorsed Single Pot | 16.987 | 38.551 | 47.191 | 43.062 | 19.618 | 0 |
| Contracted Single Pot | 14.288 | 7.862 | 8.031 | 10.058 | 4.98 | 0 |



The graphs show both over programming and headroom on a theme and spatial basis. It should be noted that there is no over programming of commitments, only on endorsed activity. The spatial programmes have also been aggregated to show the overall effect at West Yorkshire level.

The final graph shows all of the programme activity for the single pot. The headspace created for step change, particularly from year 3, is clearly illustrated.

As important as the overall level of funding is the required percentage split of Capital and Revenue, since this will ultimately affect the nature of activity that can be supported through the single pot. This issue has come to prominence over the last 2 months because of the requirement to achieve 57% capital and 43% revenue on a year by year basis, instead of over the life of the programme. At the moment given the best information available it is 2005/6 that is particularly tight, however all approved and committed projects have secured the necessary revenue for this year.

Yorkshire Forward will, over the next few weeks, be producing a full status report on this situation.

Investment Planning of course is not just about the co-ordination of spend of Single Pot monies. As the programme develops we will be working hard to ensure that we achieve greater alignment with all partner organisations.

In this first year we have focused our attention on alignment with the European Objective 2 Programme. In general terms 30 projects are attracting drawdown of European funds totalling some £35m.

3. REQUIREMENTS FOR LIGHT TOUCH REVIEW.

Now we have the luxury of being in this position, we need to ensure that we keep ahead of the game and turn our attention to improving both our Partnership processes and the quality of Investment Plan projects.

As an essential part of this year's review of the Regional Economic Strategy Yorkshire Forward has asked sub-regional Investment Planning partnerships to review their experience of Investment Planning to date and prepare a formal but short report by the end of July.

Yorkshire Forward in a letter dated 24th March 2005 has requested that the following areas are covered;

1. Does the economic and policy analysis set out in the 2004 Strategic Economic Assessment still reflect the economic challenges and opportunities facing the sub-region and any significant changes to the policy environment which have a significant impact on the priorities set out in the Investment Plan?
2. Is there scope for further prioritisation of the priorities set out in the Investment Plan – to what extent is Investment Planning identifying transformational, big impact projects which would encourage a step change in economic performance within the region/sub-region?
3. To what extent does the Investment Plan successfully align and integrate key funding sources beyond the Single Pot and EU Structural Funds?
4. What is the Partnership's assessment of Investment Plan delivery performance to date - are the projects identified in the Investment Plan progressing against timetable, forecast spend and expected outputs/impacts? Is the quality of projects increasing? Are they maximising match funding? Are they making links across policy areas?
5. What is the Partnership's assessment of the potential for incentive arrangements to encourage effective delivery – Yorkshire Forward's Board is proposing to build on the European Funding model to incentivise the delivery of commitment, spend and outputs to agreed forecasts – this would require Investment Planning Partnerships to monitor commitment and spend and agree with Yorkshire Forward re-allocation of funding should a particular project fail to meet spend and output targets.
6. What is the Partnership's assessment of the effectiveness and efficiency of its own support structures? (Are the key partnerships effective, representative and transparent? Are support structures streamlined, effective and adding value?)

Following this another letter was received from Yorkshire Forward on 13th June, which again raised the issues of the key challenges of Investment Planning across the region. This letter was prepared following the last Yorkshire Forward Board meeting on 19th May. Annex A of the letter refers to the key issues for consideration and these have been included as an annex to this report.

These issues have been thoroughly considered in the preparation of this report. The secretariat is confident that all of the issues raised it can either deliver or influence are more than adequately covered in the proposals for delivering the Light Touch Review.

4. MATRIX OF ACTIVITY TO BE INCLUDED AS PART OF LIGHT TOUCH REVIEW

| A | ANALYSIS | B | C | D |
|---|---|--|--|---|
| | | DESCRIPTION OF ACTIVITY | WHO | STATUS |
| 1 | <p>The SEA is the key document that underpins investment planning. It is a live document with formal annual updates. To review whether current and proposed activity is reflected in the SEA we need to know where and what we are delivering and to identify gaps or overlaps in delivery. This information needs to be added to the changes between 2004 and 2005 to provide a full picture for the prioritising of activity for the coming year.</p> | <ol style="list-style-type: none"> 1. Compare 2005 SEA against 2004 for changes. 2. Map current activity 3. Compare against SEA to identify gaps | <p>Partnership</p> <p>Partnership/YF</p> <p>Theme/Spatial Groups</p> | <p>Done</p> <p>In Progress/ Resources Required In Progress</p> |
| 2 | <p>The investment plan is a year old and already the Partnership structures and processes are beginning to identify and deliver projects that are achieving step change across the sub-region. This is happening across renaissance, business support and connectivity areas.</p> <p>Learning from our first year we know that opportunities will not create themselves and that there is more that we can do as a partnership to encourage step change. The key to achieving this change is in the consolidation of our partnership structures and in adapting our processes to reflect the challenges. Working across traditional boundaries both thematic and geographical will be essential.</p> <p>In addition to this we have the opportunity to create a climate that will encourage creativity and innovation through a greater focusing on our cross-cutting themes.</p> | <ol style="list-style-type: none"> 1. Aligning with other key partners 2. Headspace to be used to support innovative proposals 3. Review endorsement procedures so that 1 panel for projects that cross themes/geography. 4. Search for Innovation | <p>YF/Partnership</p> <p>Partnership</p> <p>Partnership</p> <p>Partnership</p> | <p>In Progress/ Resources Required Done</p> <p>Done</p> <p>In Progress</p> |
| 3 | <p>The Partnership structure is steadily evolving as we become more aware of the issues and opportunities created by Investment Planning. At the heart of Investment Planning is the objective of co-ordinating activity across partners to maximise our opportunities and their impact to allow this to happen the Partnership draws its membership from areas that deliver economic outputs.</p> <p>We are steadily achieving greater alignment with the 5 Councils, particularly around renaissance, Business Link West Yorkshire, The Learning and Skills Council, METRO and the Universities. In all of these areas we have high quality activity that aligns both activity and funding which we will continue to improve.</p> | <ol style="list-style-type: none"> 1. Mapping of Partner activity. 2. Housing – Presentation to Strategic Housing Partnership Joint research currently being considered. 3. Health – Presentation of Potential activity programmed. 4. Environment – Workshop covering all partners being planned for the summer. 5. Culture – Awaiting result of consultation 6. Jobcentre plus | <p>YF Partnership Secretariat</p> <p>Partnership Health/Secretariat Partnership</p> <p>Partnership</p> <p>Theme Groups</p> | <p>In Progress Done</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p> |

| | | | | |
|----------|---|---|--|--|
| | <p>We are currently working hard to try and get the same level of alignment with Housing, Health, Jobcentre and Culture, Environment etc and have started a programme of presentations at our Partnership Board to highlight the developing opportunities.</p> | | | |
| 4 | <p>It is the role of the Partnership to monitor the progress of projects against forecast spend and outputs, and to manage the implications of the information.</p> <p>Although we are a year into the process it is only a small number of projects that are in delivery and our systems have yet to be fully tested. We will continually monitor this area of work to identify and manage issues as soon as they arise.</p> <p>As well as the figures there needs to be better ways of incorporating qualitative aspects into the evaluation of projects during the life of the project as well as on completion.</p> | <ol style="list-style-type: none"> 1. Gather information on project spend. 2. Ongoing evaluation of existing projects needed as well as on completion. 3. See 2B-2 4. Comparison against Best Practice. | <p>YF/Technical support group Secretariat</p> <p>Theme/Spatial Groups</p> | <p>In Progress</p> <p>Resources Required</p> |
| 5 | <p>The Partnership fully appreciates the importance of effective delivery if it is to maintain resources that have been committed to the sub-region. It also fully accepts its strategic lead re making decisions on re-profiling projects.</p> <p>The Partnership does not accept that incentivising delivery is the appropriate response to this issue.</p> <p>Instead we have decided that we need to introduce more rigour into our systems, to identify problems and blockages early to enable additional flexible resources to be targeted at the pressure areas.</p> <p>We must in addition work with colleagues in Yorkshire Forward to ensure that the PMF process is transparent and always works in our favour. If the Partnership is to actively re-profile there must be an itinerary of approved projects which can be substituted. This will of course be more important as we approach the end of the financial year.</p> | <ol style="list-style-type: none"> 1. Systems being introduced to identify problems/blockages, both in PMF and delivery. 2. Identification of flexible resources to move into pressure areas. 3. Executive to re-profile, re-prioritise as appropriate | <p>Support Group</p> <p>Secretariat/Support Group Executive</p> | <p>In Progress</p> <p>In Progress</p> <p>In Progress</p> |
| 6 | <p>In Investment Planning terms the Partnership structure in West Yorkshire is now achieving some degree of maturity and the key messages of Investment Planning are widely understood by all partners.</p> <p>The power in the Partnership is not just at the Board or Executive level, but also in the Spatial and Theme Groups where the commissioning of projects happens. This has enabled partners to be involved throughout the Partnership reducing the rush for all partners to be on the Board and so</p> | <ol style="list-style-type: none"> 1. Communication Strategy 2. Development of Website 3. Extension of theme activity through targeted events programme. 4. Ongoing review of membership 5. Streamlining endorsement see | <p>Support Group Secretariat</p> <p>Board/Executive</p> <p>Executive Support Group</p> | <p>Resources Required</p> <p>In Progress/ Resources Required</p> <p>In Progress</p> <p>Ongoing Ongoing</p> |

| | | | | |
|----------|--|--|--|--|
| | <p>limiting its effectiveness. The Executive ensures that projects coming out of the Spatial and Theme areas are cross connected, but has a light touch role in this. The Board has final role of endorsement and ensuring that the overall programme is balanced.</p> <p>The Spatial and Theme Groups are well established and are operating effectively. Endorsement panels are now well into their swing and teething problems have been ironed out.</p> <p>Information and transparency of the process hasn't been 100% clear however. As part of our continuing programme of improvement we have now started to develop content for a website and are rolling out a programme of events highlighting spatial and theme activity. This, however, must be supported by a review of resources, which will be conducted following the approval of this report at the Partnership Board.</p> | <p>6. 2B-2 Resources to support Investment Plan</p> | <p>Secretariat</p> | <p>In Progress</p> |
| <p>7</p> | <p>The Partnership is concerned that as yet the cross cutting themes have not been developed in an integrated way which encompass the spirit of Investment Planning. The partnership feels that there is an opportunity to achieve transformation through commissioned projects that cut across the whole of the Investment Plan.</p> | <p>1. Sustainability training and appraisal. 2. Diversity as part of existing programme see 1-4B & 7B. 3. New diversity opportunities including;</p> | <p>Secretariat Support Group Support Group</p> | <p>In Progress In Progress In Progress</p> |

4. CONCLUSION

One year into Investment Planning the Partnership is pleased to be able to review its progress to date and the key challenges it faces for the future.

The Partnership is committed to ongoing review of its structures and processes and any actions stemming from this review will be fed through the Partnership processes as appropriate.

5. WAY FORWARD

Partnership Board members are asked to: -

1. Consider the proposed responses to the light touch review issues raised and recommend that the report be used as the basis for developing these issues further.
2. Recommend that officers be asked to prepare a Business Plan for the next Board meeting in September. Part of this work will identify the resources required to undertake the additional activity outlined in this report.

ANNEX A

EXTRACT OF LETTER OF 13th JUNE FOLLOWING YORKSHIRE FORWARD BOARD MEETING

Strategic Issues

1. The initial Investment Plans agreed last July, identified sub-regional priorities based on an underpinning economic analysis. These priorities have strengthened the links between the RES and the project development process. Prior to Investment Planning, the high-level nature of the RES, was rather a blunt instrument in guiding activity on the ground. The spatial and policy priorities identified in the Investment Plans, begin to sharpen the operational impact of the RES. However, although Investment Planning has had a positive impact on RES delivery, not least because of increased partnership working, a number of issues need to be addressed as we go forward. The central issues identified are:

- (a) The Strategic Economic Analysis (SEAs) in each SRIP still reflect the economic opportunities and challenges in each sub-region, however there is significant potential to strengthen the links between the findings of the SEAs and subsequent prioritisation and project development;
- (b) There is potential to more effectively link the SEA process into the work of Yorkshire Futures, indeed the SEAs provide an opportunity to promote the use of policy-focused analysis drawing on the evidence base set out in Progress in the Region/Sub-Regions;
- (c) The Northern Way and City Region Development Plans have variable impacts on SRIPs - primarily due to timing issues;
- (d) There is significant scope for further prioritisation. All SRIPs would benefit from stronger linkages between policy areas;
- (e) The current SRIPs do not identify transformational *big impact projects* beyond headline *ideas* (eg Humber Trade Zone);
- (f) Investment Planning is still primarily focusing on accessing single pot funds, capturing the contribution from other key funds is a priority for the next phase;
- (g) The Regional Skills Partnership provides the opportunity to strengthen the input of LSCs and Jobcentre+ into Investment Planning; and
- (h) The balance of resources between the Yorkshire Forward Development Fund (YFDF) and SRIPs may need to be reviewed over the next planning round – a number of a number of projects which are regional in nature have encountered difficulties in the SRIP process which have in some cases resulted in fragmentation and increased overheads.

Delivery Issues

2. The last 12 months have seen the development of sub-regional partnership structures aimed at facilitating the Investment Planning process. Investment Planning has seen closer working between

Yorkshire Forward's functional teams and partners in developing projects. As a result a significantly higher proportion of projects seeking single pot funding through PMF, have a far stronger match with our policy priorities. In addition, we are beginning to see a rolling programme of projects emerge – a key aim of Investment Planning. However, there are a number of process and partnership issues that need to be addressed:

- (a) There has been variable progress of projects against initial delivery timetables, due to a range of issues including a lack of realism – particularly on major capital projects, limited skills and resources in some areas, insufficient consultation, delays in the project endorsement;
- (b) There is a perception amongst some partners that Yorkshire Forward's PMF is causing delays in project development and delivery, whilst others feel we may be pushing things through too quickly;
- (c) There is further potential for the introduction of *project/programme commissioning*, the first year of Investment Planning has generally seen the development of existing projects;
- (d) The potential for incentive arrangements should be explored with partners, specifically to ensure project development and delivery progresses as timetabled in the SRIPs/YFDF. Realistic timescales need to be agreed at the outset; and
- (e) Although all Sub-Regional Partnerships share a central role and remit, there is a concern that different processes and procedures are being developed in isolation from each other. Further consistency, transparency and clarity of SRIP endorsement processes is required.