

**MEETING OF THE WEST YORKSHIRE COMBINED AUTHORITY
TO BE HELD ON THURSDAY 29 JANUARY 2015 (11.00 am)
AT COUNTY HALL, WAKEFIELD**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
 - 2. DECLARATIONS OF PECUNIARY INTERESTS**
 - 3. EXCLUSION OF THE PRESS AND PUBLIC**
 - 4. MINUTES OF THE PREVIOUS MEETING HELD ON 12 DECEMBER 2014**
(pages 7 – 15)
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Governance

- 5. APPOINTMENTS**
(Member lead: Cllr Peter Box, Author: Nick Winney)
(pages 16 – 18)

Strategy

- 6. LEEDS CITY REGION GROWTH DEAL DELIVERY**
(Member lead: Roger Marsh, Author: Rob Norreys)
(pages 19 – 27)
- 7. BUSINESS PLAN AND BUDGET 2015/16**
(Member lead: Cllr Peter Box, Author: Angela Taylor)
(pages 28 – 59)
- 8. DEVOLUTION (Verbal Update)**
(Member lead: Cllrs Peter Box/K Wakefield)

Transport

9. SINGLE TRANSPORT PLAN

(Member lead: Cllr James Lewis, Author: David Hoggarth)
(pages 60 - 72)

Organisation

10. LEEDS CITY REGION GOVERNANCE ARRANGEMENTS

(Member lead: Cllr Peter Box, Author: Nick Winney)
(pages 73 – 81)

11. FEEDBACK FROM COMBINED AUTHORITY SPOKESPERSONS REPRESENTING THE WYCA ON EXTERNAL BODIES (Verbal Update)

- 12 January – Transport for the North (Cllr James Lewis)
- 20 January – Rail North Leaders' Forum (Cllr James Lewis)

12. PUBLIC ENGAGEMENT (Verbal)

(Member lead: Cllr Peter Box)

For Information

13. (a) MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON 25 NOVEMBER 2014

(pages 82 - 87)

(b) MINUTES OF THE MEETING OF THE INVESTMENT COMMITTEE HELD ON 28 NOVEMBER 2014

(pages 88 - 95)

(c) MINUTES OF THE MEETING OF THE TRANSPORT COMMITTEE HELD ON 5 DECEMBER 2014

(pages 96 - 102)

Signed:



Head of Paid Service WYCA

WEST YORKSHIRE COMBINED AUTHORITY
DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

NAME OF MEMBER:

COMMITTEE: **COMBINED AUTHORITY**

DATE: **29 JANUARY 2015**

AGENDA ITEM NO	NATURE OF INTEREST

Signed

You should complete this form only if you have a disclosable pecuniary interest in any particular item on this agenda. (See attached appendix for schedule of disclosable pecuniary interests.) Completed forms should be handed in to the Secretary and Solicitor **before** leaving the meeting.

NOTE: Should you have a disclosable pecuniary interest in an item on the agenda you should not participate in any discussion on the matter, vote on the matter or remain in the meeting during discussion and voting on the matter subject to paragraph 24 of the Code of Conduct.

If you are unsure of the correct course of action to take, you should seek advice from the Secretary and Solicitor prior to the meeting.

**SCHEDULE OF DISCLOSABLE PECUNIARY INTERESTS UNDER THE LOCALISM ACT 2011 AND THE
CODE OF CONDUCT OF THE COMBINED AUTHORITY 2014**

Disclosable Interest	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant Authority) made or provided within the relevant period in respect of any expenses incurred by a Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Authority -</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the Authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the Authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to the member's knowledge) -</p> <p>(a) the landlord is the Authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>

Securities

Any beneficial interest in securities of a body where -

- (a) that body (to the Member's knowledge) has a place of business or land in the area of the Authority; and
- (b) either -
 - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If a Member has a disclosable pecuniary interest in a matter under discussion, the Member may not:-

- (a) participate, or participate further, in any discussion of the matter at the meeting;
- (b) participate in any vote, or further vote, taken on the matter at the meeting (unless the Member has requested and been granted a relevant dispensation by the Standards Committee), or
- (c) remain in the room during the discussion or vote on the matter.

Where Members have a disclosable pecuniary interest in a matter to be considered at a meeting, they may attend the meeting but only for the purposes of making representations, answering questions or giving evidence relating to the matter, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise. Once Members have finished, or the meeting decides they have finished, Members must leave the room and may not remain in the room during the discussion or vote on the matter.

Note: If a close family member has a Disclosable Pecuniary Interest, this is deemed to be a Disclosable Pecuniary Interest of the Member of the Authority.

PUBLIC INSPECTION OF DOCUMENTS AND ACCESS TO MEETINGS OF THE WEST YORKSHIRE COMBINED AUTHORITY

- (a) Files containing documentation relating to items to be discussed at the meeting may be inspected by contacting the named officer as detailed below. Certain information may be confidential and not open to inspection.
- (b) The attached agenda items do not contain any exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972.

Compilation of Agenda by:	Angie Shearon
Telephone No:	Leeds (0113) 251 7220
Date:	21 January 2015

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON FRIDAY 12 DECEMBER 2014 IN WELLINGTON HOUSE, LEEDS**

Present:	Cllr Peter Box (Chair)	-	Wakefield MDC
	Cllr David Green	-	City of Bradford MC
	Cllr Tim Swift	-	Calderdale MBC
	Cllr David Sheard	-	Kirklees MC
	Cllr Keith Wakefield	-	Leeds CC
	Cllr Tracey Simpson-Laing	-	City of York Council
	Roger Marsh	-	Leeds City Region LEP
	Cllr Stewart Golton	-	Liberal Democrat Representative (Leeds CC)
	Cllr Andrew Carter	-	Conservative Representative (Leeds CC)
	Cllr Robert Light	-	Conservative Representative (Kirklees MC)
In attendance:	Cllr James Lewis	-	Chair of WYCA Transport Committee
	Adrian Lythgo	-	Combined Authority
	Nick Winney	-	Combined Authority
	David Burrell	-	Combined Authority

77. Apologies for Absence

Apologies for absence were received from Councillor J Battye.

78. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by members at the meeting.

79. Minutes of the Meeting held on 18 September 2014

Resolved: That the minutes of the meeting of the WYCA held on 18 September 2014 be approved and signed by the Chair.

80. Governance Matters – Appointment of Co-opted Members and Other Matters

The Combined Authority considered a report in respect of the following governance matters:

- Changes to Calderdale and York Council’s appointments of co-opted members.
- Appointment of an alternate director for Rail North Limited and a substitute member of the Association of Rail North Partner Authorities Leaders’ Committee.
- Members’ Allowances Scheme – Remuneration Panel.

Appointments

The Combined Authority considered requests which had been received from York and Calderdale Councils in respect of changing their appointments to:

- (i) The West Yorkshire & York Investment Committee
- (ii) The Transport Committee
- (iii) The Governance & Audit Committee

In response to concerns raised by Councillor Golton on the proposal to replace a Leeds Liberal Democrat with a York Liberal Democrat on the Governance and Audit Committee, it was explained that the political balance agreed by the Combined Authority following the May 2014 local elections would be retained. A vote was then taken in respect of the proposed appointments as follows:

<u>Proposal</u>	<u>For</u>	<u>Against</u>
Councillor Andrew Waller to replace Councillor Ryk Downes on the Governance & Audit Committee	6	1

Rail North Limited

The Combined Authority nominated Councillor Keith Wakefield as an alternate director for Rail North Limited and as a substitute member of the Association of Rail North Partner Authorities Leaders Committee to substitute for Councillor James Lewis when necessary.

Members’ Allowances Scheme – Remuneration Panel

It was noted that at the first meeting of the WYCA, members had adopted the Scheme of Members’ Remuneration with an agreement to review the effectiveness of the scheme within the first year and it was agreed that the Remuneration Panel that had advised on the current scheme be appointed to conduct the review.

Resolved:

- (i)** That, in respect of Calderdale Council's nominations:

Councillor Peter Caffrey replaces Councillor Barry Collins on the West Yorkshire & York Investment Committee.

Councillor Barry Collins replaces Councillor Daniel Sutherland on the Transport Committee.
- (ii)** That, in respect of City of York Council's nominations, the request to replace Councillor David Levene with Councillor Paul Healey on the West Yorkshire & York Investment Committee be refused on the basis that Councillor Levene was still acting as the City of York Council's Transport Portfolio Holder.
- (iii)** That Councillor Andrew Waller be appointed to replace Councillor Ryk Downes on the Governance & Audit Committee to reflect political balance across the WYCA's committee structure.
- (iv)** That Councillor Keith Wakefield be appointed as an alternate director of Rail North Limited and as a substitute member of the Association of Rail North Partner Authorities Leaders Committee.
- (v)** That a brief be prepared for approval by the Chair and Head of Paid Service in respect of the review of the Scheme of Members' Remuneration.
- (vi)** That the Remuneration Panel that advised on the current WYCA Scheme of Members' Remuneration be appointed to conduct a review of the effectiveness of the scheme.

81. Devolution for the North

The Combined Authority considered a report and were also given a verbal update by Councillors Box and Wakefield in respect of the current position and discussions with Government Ministers and officials regarding a devolution agreement for the Leeds City Region.

Members expressed their disappointment that a devolution agreement had not yet been reached and noted that both Manchester and Sheffield had now concluded their deals. It was considered vital that the first stage of the West Yorkshire and the Leeds City Region deal be finalised with the Government as soon as possible. Further discussions should then be sought with Ministers regarding the devolution of additional powers, including the potential for fiscal devolution.

Members discussed proposals to host a summit in Leeds to drive forward the North's ambitions to become an economic powerhouse. Councillor Box proposed that the

WYCA should take the lead in this initiative and he would write to the Chairs of Sheffield and Manchester Combined Authorities to suggest establishing a forum to move the proposals forward.

Resolved:

- (i) That the current situation regarding devolution for the North be noted.
- (ii) That Councillor Box writes to the Chairs of Sheffield and Manchester Combined Authorities, inviting them to a Northern Powerhouse event to be held in Leeds in the New Year.

82. Leeds City Region Growth Deal – Delivery Update

The Combined Authority considered a report which provided an update on the Leeds City Region Growth Deal and on opportunities for additional Growth Deal funding arising from the Government's Autumn Statement.

Roger Marsh introduced the item and drew members' attention to a number of investment schemes which had been given a high risk 'red' rating on the dashboard of schemes attached to the submitted report. It was noted that the West Yorkshire & York Investment Committee had discussed these issues and were satisfied that appropriate action was being taken to mitigate those risks.

It was reported that the availability of staffing resources was a major issue and was essential to facilitate the successful delivery of the Growth Deal. A review of the resource requirements for the medium and longer term had been undertaken and it was agreed that the Head of Paid Service, in consultation with the LCR LEP, be delegated to recruit to the additional posts required.

The Combined Authority welcomed that a further £1bn from the Local Growth Fund '2' had been announced in the Autumn Statement. They emphasised the importance of maximum publicity being given to the achievements of scheme delivery to date and, in particular, highlighting jobs and apprenticeships that were being created in the Leeds City Region. The LEP Chair would provide members with a narrative on the achievements and would continue to keep them informed of progress on a regular basis to ensure a consistent approach was maintained across the Leeds City Region.

Resolved:

- (i) That members continue to be updated on Growth Deal delivery.
- (ii) That the Head of Paid Service in consultation with the LCR LEP, be authorised to commence recruitment of the posts referred to in paragraph 7.2 of the submitted report.

- (iii) That members be provided with information in respect of achievements on a regular basis.

83. West Yorkshire plus Transport Fund : Programme and Cost Review

The Combined Authority considered a report on a revised programme and funding plan for the West Yorkshire plus Transport Fund (WY+TF) including increased local contributions to support that programme.

Councillor Green stressed the importance of having a pipeline of alternative projects prepared so that they were ready to start should any scheme fail to progress through the gateway process.

Members noted the details of the funding gap set out in paragraphs 2.15 to 2.19 of the submitted report and Councillor Simpson Laing advised that that any funding decisions affecting York would need to be considered by their Authority.

In respect of staffing, it was noted that a requirement for additional staff had been identified to accelerate and maximise delivery by 2021 and that the Head of Paid of Service was authorised to approve a resourcing plan, including options for secondments.

Resolved:

- (i) That the re-profiled West Yorkshire plus Transport Fund programme be approved.
- (ii) That the proposed approach to increasing local contributions to meet the anticipated funding gap as set out in paragraphs 2.15-2.19 of the submitted report be approved.
- (iii) That the Head of Paid Service be authorised to approve a resourcing plan and commence recruitment of the posts as set out in paragraph 5.5 of the submitted report.

84. West Yorkshire Plus Transport Fund : Approvals and Assurance Framework

The Combined Authority considered a report which sought approval to an updated Assurance Framework and also sought three Gateway Approvals for the following West Yorkshire plus Transport Fund schemes:

- To approve the progression of the Harrogate Road New Line and York Outer Ring Road projects through Gateway 1.
- To approve the progression of the Wakefield Eastern Relief Road through Gateway 3.

The Committee was advised that the West Yorkshire & York Investment Committee and Transport Committee had considered the Gateway submissions and had recommended that they be progressed through the Gateways in accordance with the Assurance Framework. It was noted that approval of the Wakefield Eastern Relief Road was dependent on planning consent, land agreements and the tender price being within the agreed budget constraints.

Resolved:

- (i) That the updated West Yorkshire and York Assurance Framework be approved.
- (ii) That the progression of the Harrogate Road New Line project through Gateway 1 be approved.
- (iii) That the progression of the York Outer Ring Road project through Gateway 1 be approved.
- (iv) That the progression of the Wakefield Eastern Relief Road through Gateway 3 be approved, subject to confirmation of planning approval, tender price and land acquisition.

85. Rail Update

The Combined Authority considered a report which provided an update on rail issues including High Speed 2, Transport for the North, Rail North and franchising, East Coast Franchise and the working relationship with Network Rail.

The Combined Authority noted the conclusions of the Sir David Higgins 'Rebalancing Britain' report which they had welcomed as a very positive opportunity for the region.

Members discussed the establishment of the North (TfN) Partnership Board and it was proposed that Roger Marsh, Chair of the LCR LEP who was a member of the Partnership Board, represent the Leeds City Region. The potential for more joint working with Network Rail across the North, the One North programme and HS2 connectivity package was noted and also that a framework was being developed to enable a new, more effective working relationship with them.

Councillor Green updated members on meetings of the Electrification Task Force which he had attended. He reported on positive discussions which had included the proposed electrification of the Calder Valley line and Harrogate line and also on the need for the Government and Network Rail to consider alternative ways of prioritising rail investment and to consider economic benefits as part of their assessment. The final meeting of the Electrification Task Force would be held in January 2015 with a final report on the key findings/recommendations due to be published in February 2015.

Resolved:

- (i) That the report be noted.
- (ii) That Roger Marsh, Chair of the LCR LEP, represent the Leeds City Region on the North (TfN) Partnership Board.

86. 2015/16 Budget Proposals

The Combined Authority considered a report on work which was being undertaken to establish a budget for 2015/16 for the West Yorkshire Combined Authority and the proposed approach for future years.

It was reported that the Budget Working Group had considered the current budgets for transport and the underlying pressures and challenges. It was proposed that the transport levy would be frozen for 2015/16 other than for the West Yorkshire plus Transport Fund agreed escalator. However a programme to review areas for further cost reductions, including internal support and shared services with the District Councils, would be undertaken and it was proposed that the Budget Working Group continue to oversee that process.

The 2015/16 budget would be brought to the next meeting of the Combined Authority for approval.

Resolved: That the proposed approach to the budget and transport levy for 2015/16 and further work to be undertaken in 2015/16 be approved.

87. Funding for Food Banks

Councillor Sheard asked for the Combined Authority's support in respect of EU funding to help subsidise the cost of food banks in the region.

Whilst acknowledging the importance of the funding, it was recognised that this was a matter for individual authorities to pursue and it was agreed that Councillor Sheard circulate a letter for endorsement by each District Council Leader.

88. Minutes of the Meeting of the Transport Committee held on 26 September 2014

Resolved: That the minutes of the meeting of the Transport Committee held on 26 September 2014 be noted.

89. Minutes of the Meeting of the Transport Committee held on 31 October 2014

Resolved: That the minutes of the meeting of the Transport Committee held on 31 October 2014 be noted.

90. Minutes of the Meeting of the Investment Committee held on 1 October 2014

Resolved: That the minutes of the meeting of the Investment Committee held on 1 October 2014 be noted.

91. Minutes of the Meeting of the Overview and Scrutiny Committee held on 23 September 2014

Resolved: That the minutes of the meeting of the Overview and Scrutiny Committee held on 23 September 2014 be noted.

92. Minutes of the Meeting of the Governance and Audit Committee held on 21 October 2014

Resolved: That the minutes of the meeting of the Governance and Audit Committee held on 21 October 2014 be noted.

93. Exclusion of the Press and Public

The Combined Authority considered a recommendation to exclude the press and public from Agenda Item 13 which contained exempt information defined in Paragraph 3 of Schedule 12A Local Government Act 1972.

RESOLVED: It was agreed that because disclosure of Item 13 (Proposals for Independently Evaluating the Impact of West Yorkshire Plus Transport Fund Investments) would not be in accordance with the Government's request that issues outlined in the report including its annexes, and the content of any agreement, which were deemed by HM Treasury to be 'market sensitive', remained absolutely confidential, the public interest would be better served by maintaining the exemption, and, therefore, the press and public were excluded for Agenda Item 13.

***94. Proposals for Independently Evaluating the Impact of West Yorkshire plus Transport Fund Investments**

The Combined Authority considered a report on proposals for independently evaluating the success of the West Yorkshire plus Transport Fund (WY+TF) investments as the basis of an agreement with HM Treasury and Cities and Local Growth Unit by December 2014, which would then release the first tranche of local growth funding in 2015/16.

Resolved:

- (i)** That the requirement in the Growth Deal for the Combined Authority to commission independent analysis to evaluate the impact of the WY+TF investments be noted.

- (ii)** That the proposals contained in Appendix B to the submitted report be endorsed as the basis of an agreement with HM Treasury and Cities and Local Growth Unit by December 2014.
- (iii)** That the approach to the appointment of the independent impact evaluation panel as set out in paragraph 3.11 of the submitted report be approved.
- (iv)** That the Head of Paid Service, in consultation with the Chair, be delegated to establish and oversee an appointment panel.

REPORT FRONT SHEET

AGENDA ITEM: 5

Combined Authority: 26 January 2015

Report Title: Appointments

Report Summary

City of York Council has appointed its new leader Dafydd Williams as the York member of the Combined Authority with effect from 13 January 2015

York has asked that Councillor Alexander be replaced by Councillor Williams on the Investment Committee. Appointments to committees are a matter for the Authority to decide.

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originator: Nick Winney
Monitoring Officer



ITEM 5

Report to: West Yorkshire Combined Authority

Date: 29 January 2015

Subject: Appointments

1. Purpose

- 1.1. To consider the appointment of a Combined Authority representative on the West Yorkshire & York Investment Committee to replace Councillor James Alexander.

2. Information

- 2.1. Further to a change in leadership at York City Council, the Authority have been notified that the City of York Council have appointed Councillor Dafydd Williams to replace Councillor James Alexander, the former leader of the Council, as the York Member of the Combined Authority and as their representative on the West Yorkshire & York Investment Committee.
- 2.2. In accordance with Section 17 of the Local Government and Housing Act 1989, on 1 April 2014, the Authority appointed 3 Combined Authority members to sit on the West Yorkshire & York Investment Committee. Councillor James Alexander was one of those appointments. The Authority is therefore asked to consider the request to replace Councillor Alexander.

3. Financial Implications

- 3.1. None.

4. Legal Implications

- 4.1 On 6 January 2015, the City of York Council served formal notice on the Authority of their appointment of Councillor Dafydd Williams as their Council's representative on the Combined Authority. By virtue of paragraph 1(16) of Schedule 1 to the West Yorkshire Combined Authority Order 2014, the appointment of Councillor Williams took effect at the end of one week from the date on which the notice was served, namely 13 January 2015.

5. Staffing Implications

5.1. None.

6. Consultees

6.1. None.

7. Recommendations

7.1. That the Authority notes the appointment by City of York Council of Councillor Dafydd Williams as a Member of the West Yorkshire Combined Authority with effect from 13 January 2015.

7.2. That the Authority considers the appointment of a replacement for Councillor James Alexander as a Combined Authority member on the West Yorkshire & York Investment Committee.

REPORT FRONT SHEET

AGENDA ITEM: 6

Combined Authority: 29 January 2015

Report Title: Leeds City Region Growth Deal Delivery

Report Summary

Growth Deal – preparation for delivery of projects and programmes from 1st April 2015.

The report contains a dashboard showing whether we are on track to deliver on the projects and programmes for which we have been given LGF funding (both transport and non-transport projects).

Growth Deal 2. Following the Chancellor’s announcement that a further £1bn will be available for LEPs, we await the decisions from government over possible additional funding for the City Region, and hope to be able to provide a further verbal update at the meeting.

Possible Questions

1. What has been the progress towards delivery since the previous meeting?
2. What steps have been taken to deal with any red ‘RAG ratings’ for Growth Deal projects and programmes?
3. Do we yet know the likely outcome for Leeds City Region of the Growth Deal 2 process?

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

ITEM 6

Report to: West Yorkshire Combined Authority

Date: 29 January 2015

Subject: Leeds City Region Growth Deal Delivery

1. Purpose

- 1.1 To update the Combined Authority on preparations for delivery of the Growth Deal and the West Yorkshire plus Transport Fund.

2. Information

Dashboard: Pipeline – Growth Deal

- 2.1 The attached dashboard (**Appendix 1**) summarises the progress towards delivery of each of the projects and programmes for which funding has been awarded under the Leeds City Region Growth Deal of July 2014. The notes below relate only to those programmes and projects where there has been a significant change since the report to the last meeting.
- 2.2 **Pillar 1: Supporting growing businesses.** There has been little change to report in the status of the projects under Pillar 1 on the dashboard.
- 2.3 **Pillar 2: Developing a skilled and flexible workforce.** The Leaders Board approved four Skills Capital projects from FE Colleges in the 2015/16 round totalling £17m+. Progress on each of these schemes will be shown separately on future dashboards. The next round of expressions of interest will be launched in mid-January, based on revised criteria agreed by the LEP's Employment & Skills Panel, and it is expected that a pipeline of potential projects will be developed from this for the remaining £56m+ in the LEP Skills Capital programme. These will be worked up over the summer into full business cases for consideration by the CA in the early Autumn, for commencement in 2016/17.
- 2.4 **Pillar 3: Building a resource smart City Region.** Project development for the **Resource Efficiency Fund** is progressing well, and the red rating reported to the Authority in December has now been removed. However, due to national delays in agreeing the Operational Programme for European Structural & Investment Funds

(ESIF), the start date for operations will be delayed. The Project Brief for the **Energy Accelerator** (formerly Energy Hub) has been agreed and development is progressing well, but this project is also affected by delays in the ESIF Operational Programme. With regard to **BioVale**, the project has had to be reprofiled by its sponsors and the resultant outcomes and benefits reviewed. The WY&Y Investment Committee was considering a report on the changes at its meeting on 21st January, and a verbal report will be provided of the outcomes of those considerations.

- 2.5 **Pillar 4: Delivering the infrastructure for growth.** The two projects where red flags remain at the time of writing are **City Fields, Wakefield** and **Horse Close, Craven**. With regard to City Fields, meetings are taking place with the project sponsor, Wakefield Council, to discuss delivery options. A number of legal and technical issues are being considered by Craven Council in liaison with their potential private sector partners regarding Horse Close. At its meeting on 21st January, the WY&Y Investment Committee will consider the recommended funding offers for most of the Pillar 4 housing and regeneration schemes. The recommendations from the Committee will be reported verbally to this meeting.

Dashboard: West Yorkshire plus Transport Fund

- 2.6 The latest West Yorkshire plus Transport Fund dashboard is also attached at **Appendix 1**. At the Combined Authority meeting on the 12 December 2014, a revised programme (and programme strategy) for the West Yorkshire plus Transport Fund was approved. The agreed programme contains 21 schemes to be delivered in full by 2021. In addition, there are another 12 schemes (or phases of schemes) to be on site by 2021 and a further 6 schemes to be delivered by 2025.
- 2.7 The following projects are programmed to be on site with a total expected expenditure on delivery during the next financial year of around £35m.
- Wakefield Eastern Relief Road
 - Aire Valley Park and Ride
 - York northern outer ring road enhancements
 - A629 (Halifax) junction improvements
 - Rail station car park extensions
- 2.8 The red rating reported in December in relation to the **Highway Network Efficiency programme** (no. 44) has now been removed. In order to finalise the mandate and formally start a project, the key members of the project team needed to be identified. The specialist project management resources required to progress this project have now been allocated to the project and the mandate has now been agreed. Work can now commence to progress the scheme towards Gateway 1.
- 2.9 Red flags remain against a small number of other Transport Fund projects at the moment. With regard to **Leeds City Centre Network Improvements** (no. 34), costs are uncertain because the project scope will need to be expanded to fit in with HS2 proposals, and opportunities for funding from HS2 also need to be explored. Progress on the **East Leeds Parkway** (no. 33) is subject to understanding Network

Rail's likely scope of works for East Leeds. With respect to the **City of York Public Transport Improvements programme** (no. 57ei), project progress has been delayed by issues surrounding Lendal Bridge and the work of the Traffic Commission.

3. Growth Deal 2 Update

3.1 The Chancellor announced in his Autumn Statement that £1bn would be available to LEPs nationally for a second round of Growth Deal funding. The LEP made its final submission a few days after the Statement, comprising funding bids for a range of further projects and programmes across each of the strategic pillars: business support, skills, resource efficiency and infrastructure. It is understood that Government intends to announce the funding decisions for individual projects and programmes around the time of this meeting. Any further available information will be provided verbally to the meeting.

4. Financial Implications

4.1. None for the WY Combined Authority as a result of this report. The implications for individual authorities as a result of the funding offers on each housing and regeneration project will not be known until those decisions are taken. An announcement of Growth Deal 2 funding for the LEP will have an impact on the LEP, the Combined Authority and local districts. However, this cannot be quantified until Government announces its decisions.

5. Legal Implications

5.1. None as a result of this report.

6. Staffing Implications

6.1. None as a result of this report. Any additional Growth Deal 2 funding and the associated work to develop a pipeline of projects is likely to have an impact on staffing needs at both District Council and Combined Authority levels.

7. Consultees

7.1. The Local Authority Chief Executives and Directors of Development have been consulted in the preparation of this report.

8. Recommendations

8.1. That the Authority consider the progress made in taking forward the projects and programmes within the Strategic Economic Plan.

8.2 That the Authority comment on the Growth Deal 2 issues.

9. Background Documents

- Leeds City Region Growth Deal – Delivery Update, West Yorkshire Combined Authority, 12 December 2014, Item 7.
- West Yorkshire plus Transport Fund – Programme and Cost Review, West Yorkshire Combined Authority, 12 December 2014, Item 8.
- Local Growth Fund Projects – Decision making and funding parameters, West Yorkshire and York Investment Committee, 28 November 2014, Item 8.
- Leeds City Region Growth Deal Delivery, West Yorkshire Combined Authority, 18 September 2014, Item 6.
- Leeds City Region Strategic Economic Plan – Growth Deal Update, West Yorkshire Combined Authority, 24 July 2014, Item 5.
- Adoption of the SEP, West Yorkshire Combined Authority, 29 May 2014, Item 5.
- Leeds City Region Enterprise Partnership Strategic Economic Plan, March 2014

**PIPELINE:
GROWTH DEAL DASHBOARD, JANUARY 2015 (NON-TRANSPORT)**

Scheme Name	Stage gate	Ownership		Management and Control						Delivery								
		Project Exec / SRO	Total Project Investment (£m)	Approved LGF (£m)	Project / Programme Board in place	Resources in place for current stage	Risk Management	Current stage Milestones on track	LGF start date on track	LGF completion date on track								
Pillar 1: Supporting growing businesses (Chief Executive lead: Kersten England)																		
Business Growth Programme	Procurement (Gateway 2)	Sue Cooke (LEP)	108.0	G	18.0	G	Appraisal Advisory Committee, Investment Panel and BIG Panel	G	Yes - existing resources for current BGP programme with linkages to Growth Hub.	G	Potential gap in provision between existing and new programmes, and subsequent impact on the investment pipeline, if LGF cannot be committed prior to April 15. Discussions ongoing with government to secure agreement to commit LGF prior to April 15. Work ongoing to establish robust monitoring & evaluation to meet anticipated government requirements.	G	All preparatory work for delivery from April 2015 on-track.	G	Apr-15	G	Mar-18	G
Business Growth Hub	Procurement (Gateway 2)	Sue Cooke (LEP)	1.145	G	0.625	G	BIG Panel, DoDs and Growth Hub Working Group	G	Staff resource to be identified within LEP and wider partnership. Ongoing discussions with local partners on the role of the managers and the process for appointing them.	A	Consistent adoption of the hub and spoke model and approach to data sharing needed for Hub to operate effectively. Ongoing work with partners to develop this. Engagement activity planned to ensure sufficient engagement from business. Options being explored to sustain the model beyond the present one year funding deal. Some delays to recruitment are currently being mitigated.	A	Delays in recruitment are having a knock-on impact. Ongoing work to align the LEP hub with spokes through a shared Evolutive system, with alignment with Kirklees being phase 1. Web platform and telephone gateway to be established by April 2015.	A	Apr-15	A	Mar-16	A
Bradford University Enterprise Zone	Planning (Gateway 1)	Brian Cantor (University of Bradford)	12.0	A	£3.8m from BIS (not LGF)		Steering group in place - LEP will join the SG. Also have a strategic advisory forum and stakeholder forum in place.	G	ESIF funding required to provide revenue for operating costs.	A	No guarantee that ESIF funding will be secured.	A	Currently going through due diligence. Will report to BIG Panel in March	G	Apr-15	G	Dec-16	G
Pillar 2: Developing a skilled and flexible workforce (Chief Executive lead: Joanne Roney)																		
Skills Capital Investment Programme	Procurement (Gateway 2)	Sue Cooke (LEP)	100.0	A	74.0	G	Skills Capital Appraisal Group and Employment and Skills Panel	G	WYCA and LCC legal teams working on contractual arrangements, with advice from SFA. Gap in LEP staff resources expected until Feb/March 2015.	A	Risks that projects don't meet due diligence requirements, or experience delays in delivery. Advice/guidance provided, and potential to phase projects over two years if necessary.	A	Leaders Board has approved 4 projects - on track for delivery from April 2015. Criteria and commissioning strategy for 2016/17 programme have been developed in line with Skills Plan priorities & expressions of interest now open.	G	Apr-15	G	Mar-17	G
Pillar 3: Building a resource smart City Region (Chief Executive lead: Wallace Sampson)																		
LCR Energy Accelerator	Planning (Gateway 1)	Wallace Sampson	6.0	A	0.6	G	Yes	G	Yes	G	Without ELENA funding, business case may be undermined. Long lead in times for ELENA may slow the project's momentum. Delays to ESIF launch will also delay a bid for ELENA funding, which could delay the project timescales, though not its viability.	A	On target	G	Apr-15	G	Mar-16	A
BioVale	Planning (Gateway 1)	Debbie Smith (University of York)	25.6	A	3.0	G	Steering Group in place. Lead LEP agreed in principle, but MOU still to be signed	A	MOU with YNY&ER LEP will clarify resources. DLCG have confirmed uplift in funding from current ESIF programme.	A	Risks around securing each element of funding mix (LGF, ESIF via open call, UoY funding). All parties engaged to ensure funding and planning permission secured. Project future uncertain until review of new project profile completed.	R	WY&Y Investment Committee to review options on 21 Jan following review of changes to project scale & scope by the sponsor.	A	Apr-15	A	Mar-17	A
Resource Smart Operations Programme	Planning (Gateway 1)	Melanie Taylor (LEP)	4.4	A	1.2	G	Yes	G	Yes	G	ERDF funding needed to match fund the LGF. Delays to the launch of the European Programme mean a bid for ERDF can't be made as early as anticipated, which may make it difficult to meet spend in 2015/16.	A	On target	G	Apr-15	A	Mar-20	A
Pillar 4: Delivering the infrastructure for growth (Chief Executive lead: Merran McRae)																		
City Fields - Southern Gateway, Wakefield	Procurement (Gateway 2)	Andy Wallhead (Wakefield)	19.5	A	2.5	G	Yes	G	Project management resources in place	G	Key risk that the landowner is not prepared to proceed with the project. The landowner informed WMDC on 17 November 2014 that they will not be proceeding.	R	The landowner is unwilling to proceed with remediation works, given concerns over the terms of any loan offer, and their desire to focus on Phase 1, where house building is set to commence. Other areas of the site require investment to make them viable. A revised proposal has been developed to define the investment required and the outputs achievable.	R	Apr-15	R	Mar-16	R
East Leeds Housing Growth - Red Hall	Procurement (Gateway 2)	Martin Farrington (Leeds)	31.0	A	4.0	G	Yes	G	Project management resources in place	G	Clarity needed on terms for LGF funding, which could affect project viability. Work being done to ensure any issues which could lead to high abnormal development costs are identified and reduced. Project board to ensure work completed on time so as not to constrain delivery of East Leeds Orbital Road. The scope to undertake GI's on a phased approach will be explored.	A	Technical Appraisal Group (TAG) has reviewed business case. Meeting with TAG and LCC project managers on 8th January 2015 to clarify questions raised and State Aid issues and propose funding options to be presented to the Combined Authority Investment Committee. Outline planning application now submitted. RIBA Stage C report received and being reviewed, Stage D due by April 2015. Procurement of specialist design consultant for nursery development about to commence. Revised business case with Technical Funding Group for appraisal, State Aid assessment and funding options.	A	Apr-15	A	Mar-17	A
East Leeds Housing Growth - Brownfield Sites	Procurement (Gateway 2)	Martin Farrington (Leeds)	36.5	A	1.1	G	Project team established, will develop further as the project progresses to ensure that appropriate officers are included for all elements of delivery.	A	Project management resources in place	G	Clarity needed on terms for LGF funding. Market testing carried out and sites will be packaged to minimise the risk that sites may be unattractive/unviable for developers. The Council will seek delivery via the HCA's Delivery Partner Panel. The preparation of a neighbourhood framework for Seacroft is ensuring broad political support.	A	Technical Appraisal Group (TAG) has reviewed business case. Meeting with TAG and LCC project managers on 8th January 2015 to clarify questions raised and State Aid issues and propose funding options to be presented to the Combined Authority Investment Committee. Executive Board approval received for delivery mechanism, using the HCA's delivery partner panel. Work ongoing to secure vacant possession of the site. Revised business case with Technical Funding Group for appraisal, State Aid assessment and funding options.	A	Apr-15	A	Mar-17	A

PIPELINE:
GROWTH DEAL DASHBOARD, JANUARY 2015 (NON-TRANSPORT)

York Central	Procurement (Gateway 2)	Sarah Tanburn (York)	743.7	A	1.7	G	Yes	G	Team in place but PM to be appointed	A	Clarity needed on terms for LGF funding. Risks around increasing costs due to work being more complex than anticipated being mitigated through site study and appraisal. Flexibility in funding maintained to mitigate risk of not accessing ESIF funding. Delays with planning and mobilising housing development partner being managed through active engagement.	A	Technical Appraisal Group (TAG) has reviewed business case. Meeting with TAG and CYC project manager on 12th December 2014 to clarify questions raised and State Aid issues and propose funding options to be presented to the Combined Authority Investment Committee. Proposed funding option being shared with CYC project manager. Contract now awarded for engineering study for works, due to complete by Feb 2015.	A	Apr-15	A	Mar-16	A
One, City Park, Bradford	Procurement (Gateway 2)	Shelagh O'Neill (Bradford)	21.9	A	5.2	G	Unknown/TBC	A	Project management resources in place	G	MoJ fully engaged to mitigate risks regarding delays in vacation of the Tyrls. Market testing being undertaken to assess developer/end user interest. The terms of LGF funding could affect project viability.	A	Technical Appraisal Group (TAG) has reviewed business case. Meeting with TAG and Bradford MDC project managers on 12th December 2014 to clarify questions raised and State Aid issues and propose funding options to be presented to the Combined Authority Investment Committee. Planning application submitted for the demolition of the Tyrls and outline consent for Grade A office accommodation. Awaiting final agreement on surrender of ground floor lease. Work underway on new holding cells.	A	Apr-15	A	Mar-18	A
Halifax Town Centre	Procurement (Gateway 2)	Ian Gray (Calderdale)	10.8	A	1.3	G	Project Working Group	G	Project management resources in place. Detailed programme of work being developed by team of officers and advisers	G	Risks relating to delays/unforeseen obstacles to demolition. Council to appoint competent demolition contractor capable of addressing issues. Vacant possession of building required - contingency plans to be explored should refurbishment of Princess Street and Library overrun.	A	Library contractors on-site at Piece Hall. Contract set to be awarded for refurbishment of Princess Buildings, which will allow Northgate House to be vacated in Q1 2016. Demolition now set to commence in April 2016. Technical Appraisal Group (TAG) has reviewed business case. Meeting with TAG and Calderdale project managers on 16th December 2014 to clarify questions raised and State Aid issues and propose funding options to be presented to the Combined Authority Investment Committee.	A	Jan-16	G	Mar-17	G
Horse Close, Craven	Procurement (Gateway 2)	David Smurthwaite (Craven)	35.3	A	0.9	G	Project board in place	G	Design team appointed subject to committee approval. Project resource to be clarified in new year once approval received and detailed work can begin	A	Need to secure sufficient funding and project resource. Resource needs to be identified and confirmed once consultants appointed. Negotiation to agree easements with waterways authority has been positive.	R	Technical Appraisal Group (TAG) has reviewed business case. Meeting with TAG and LCC project managers on 20th January 2015 to clarify questions raised. Funding option solution broadly agreed 'in principle' with Craven, subject to CAIC and Leaders Board discussions. Planning not yet in place. Design and construction procurement drafted. Awaiting committee approval for appointment of project team to enable completion of design.	A	Apr-15	A	Mar-16	A

WEST YORKSHIRE PLUS TRANSPORT FUND SCHEMES, JANUARY 2015

ID	Scheme Name	Stage gate	Ownership		Management and Control				Delivery								
			Project Exec / SRO	Total Project Cost to Fund (£000s)	Approved Budget (£000s)*	Project / Programme Board in place	Resources in place for current stage	Current stage Milestones on track	Start date on track	Completion date on track							
Bradford																	
55	Harrogate Road/New Line Junction	Mandated	Julian Jackson	4,900	G	106	G	Proj Board in Place	G	Support for development of project brief provided. Limited modelling support available, but external resource now acquired	G	GW1 Q3 2015/16	A	Q4 2016/17	A	Q3 2017/18	A
06	Bradford - Keighley A650 Hard Ings Road and town centre improvements	Mandated	Julian Jackson	10,300	G	118	G	Proj. Board in place	G	Support for development of project brief provided. Limited modelling support available. Engineering support to be identified	A	GW1 Q1 2015/16	A	Q3 2016	A	Dec-17	A
00	Bradford Gateways	Mandated	Julian Jackson	95	G	95	G	Proj. Board in place	G	Consultants appointed Jan 14	G	Delivery Plan Jun 14	G		G	Jul-14	G
14	A650 Tong Street Improvements	Mandated	Julian Jackson	7,100	G	50	G	Proj. Board in place	G	Modelling underway	G	GW1 Apr 15	G	2015	A	2021	A
Calderdale																	
20.1	Halifax- Huddersfield A629 Corridor Improvements - Phase 1 -Elland Wood Bootom - Free School Lane	Mandated	Ian Gray	16,230	G	255	A	Prog Board	G	Programme Manager now in post	A	GW1 Jul 15	G	2016	G	2018/19	G
20.4	Phase 4a - Halifax town centre , eastern relief road - Define Town Centre Masterplan	Mandated	Ian Gray	57,100	G	340	G	Prog Board	G	Programme Manager now in post	G	Jun-15	G	2018	G	2021/22	G
20.4	Halifax Station Gateway	Mandated	Ian Gray	21	G	5	A	Prog Board	G	Resource issues at Network Rail	A	GW1 Dec 2015	A	2015/16	A	2019/20	G
	Calderdale Strategic Modelling	Mandated	Ian Gray	159	G	159	G		G		G		G		G		G
Kirklees																	
18.a	Cooper Bridge Junction	Mandated	Richard Hadfield	69,300	G	100	G	Proj. Board in place	G	Atkins Appointed	G	GW1 January 2015	G	2017	A	2018/19	A
18.a	A62 and A644 excluding Cooper Bridge	Mandated	Richard Hadfield		G	275	G	Proj. Board in place	G	Atkins Appointed	G	Develop fully validated combined existing situation Vissum model for A62 and A644 Corridors - July 2014	G	2017	G	2024	G
17	A653 Dewsbury to Leeds Corridor	Mandated	Richard Hadfield	12,500	G	80	A	Proj. Board in place	G		G	GW1 Sept 15	G	2019	A	2021	A
00	Huddersfield Station Gateway	Pre - Mandate		5,000	G	0	A	Project Board to be established	A	Project Manager now deployed	G	Mandate and Demand Study	G	2017	G	2018	G
	Kirklees Strategic Modelling	Mandated	Richard Hadfield	135	G	0	G	Project Board	G		G		G	2014	G	Mar-15	G
Leeds																	
07	East Leeds Orbital Road	Mandated	Martin Farrington	73,300	G	885	G	Major Proj.Board	G	In House	G	GW1 Dec 14	G	2019	G	2021	G
34	Leeds city centre network improvements – Phase 1 and City Centre Transport Strategy modelling	Updated Mandate Provided	Gary Bartlett	36,500	R	238	G	Major Proj.Board	G	LCC/Mouchel	G	GW1 Feb 2015	G	Apr-14	G	Feb-15	G

WEST YORKSHIRE PLUS TRANSPORT FUND SCHEMES, JANUARY 2015

04	A65 - Lbia Link Road	Mandated	Gary Bartlett	35,700	G	195	A	Major Proj.Board	G	Mouchel/LCC	G	GW1 Aug 2016	G	2019	G	2021	A
08	Aire Valley - Leeds Integrated Transport Package – Phase 1	Mandated	Gary Bartlett	11,490	G	510	G	Major Proj.Board	G	Bus service element to be addressed	A	GW2 March 2015	A	2015/16	A	2017	A
Wakefield																	
09	Wakefield Eastern Relief Road	Mandated	Neil Rogers	29,400	G	1539	G		G		G	Start on site Feb 2015	G	2015	G	Mar-17	G
10	Pontefract Northern	On Site	Neil Rogers	1,654	G	1654	G		G		G	Start on site 2 June 14	G	Jun-14	G	Dec-14	G
WY Combined Authority																	
33	East Leeds Parkway	Mandated	David Hoggarth	10,100	G	50	G	Awaiting clarity on scope	A	Project Manager now in place	G	Awaiting clarity on Project scope	R	2017	R	Dec-18	R
28	Calder Valley (Caldervale Line)	Mandated	David Hoggarth	20,000	G	280	G	Project Board in place	G	Project Manager now in place	G	GW1 June 2015	A	2016	G	2017	G
45	Rail Package (Parking only) – Phase 1	Mandated	David Hoggarth	176	G	177	G	Board now established	G	PM from central pool appointed	G	GW1 July 2015	G	2015	A	2015-18	A
00	Castleford Gateway	Pre-mandate	David Hoggarth											2015		2016	
26	NGT to Aire Valley	Pre-mandate	Dave Haskins	98,300		TBC						TBC		2019		2022	
00	Leeds Station Masterplan	Pre-mandate		20,000	A	0	A		G	PM resource identified	A	Subject to internal approvals	G	2015	G	2018	A
44	Highway Network Efficiency (UTMC)	Mandated	Richard Hadfield	7,300	A	0	A		G	PM resource identified	G	Mandate Jan 2015	A	2015	G	2018	A
York																	
57ei	Public Transport Improvements	Mandated	TBC	9,100	G	50	G	Yes	G	Dedicated PM resource from CYC and CA in place	G	Influenced by impact of Lendal Bridge and Traffic commission	R	2015	R	2018	R
57a	York Outer Ring Road Improvements Phases 1 and 2	Mandated	TBC	37,600	G	452	G	Board In Place	G	Dedicated PM resource from CYC and CA in place	G	GW1 Oct 2014	G	2015	G	2020	G
57g	York Central Access	Mandated	TBC	27,000	G	50	G	Yes	G	Dedicated PM resource from CYC and CA in place	G	GW1 March 2015	G	2016	G	2019	G

REPORT FRONT SHEET

AGENDA ITEM: 7

Combined Authority: 29 January 2015

Report Title: Business plan and budget 2015/16

Report Summary

This report sets out the outline business plan for WYCA for 2015/16 and seeks approval to the revenue budget and indicative capital budget for transport and the treasury management statement.

The proposal is to use reserves of £1m to enable the transport levy to remain unchanged (other than a small increase specifically for the West Yorkshire plus Transport Fund).

Further work will then be undertaken in 2015/16 after the LEP and its budgets transfer to the WYCA to ensure a robust medium term financial strategy is in place to enable WYCA to deliver its plans for economic growth across the region.

Possible Questions

- 1. Are there any further key actions that should be in the outline business plan?**
- 2. Are there any further items that should be included in the 2015/16 programme of work to develop the medium term financial strategy?**

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originator: Angela Taylor
Director, Resources



ITEM 7

Report to: West Yorkshire Combined Authority

Date: 29 January 2015

Subject: Business Plan and Budget 2015/16

1. Purpose

- 1.1. To consider the outline business plan for the Combined Authority for 2015/16 and its strategic aims on behalf of local people.
- 1.2. To approve the proposed revenue budget and transport levy for 2015/16, the indicative three year capital programme and the treasury management statement.
- 1.3. To consider the further work required to develop the medium term financial strategy during the coming year.

2. Information

- 2.1. Since its creation on 1 April 2014 the Combined Authority has established itself as the key player in developing and driving economic growth in West Yorkshire, York and the wider City Region. Its success in establishing the West Yorkshire plus Transport Fund and securing one of the best Growth Deals nationally clearly demonstrate the benefits of having a clear, democratically rooted strategic planning and decision making body for the region.
- 2.2. Further substantial devolution will enable the region to build upon this success and ensure economic growth through improvements to connectivity and housing, increasing the number of good quality jobs and moving young people into employment, education or training. In bringing together the work of the former transport authority and the city region economic agenda WYCA is confident it will secure the growth of the region and demonstrate its part in the Northern powerhouse.
- 2.3. The ambitions and priorities of the WYCA were set out when it was established in April and good progress has been made against many of these objectives. For example the funding secured this year through the Leeds City Region Growth Deal will be used in 2015/16 to deliver key housing, regeneration and transport schemes. Work done during 2014/15 to establish Rail North will continue to be developed next

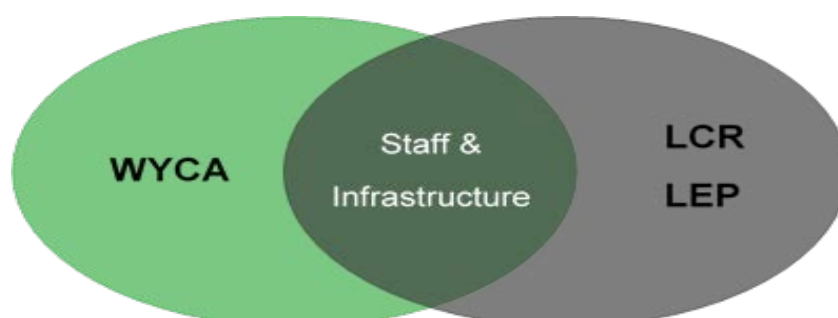
year to ensure the region is able to more fully influence and contribute to local rail issues. An ambitious programme for the coming years has been drawn together to enable WYCA to make a positive contribution towards the plans for the wider City Region. These include the creation of job opportunities, providing training to young people, enabling further new homes to be built, enhancing transport connections and transforming public sector partnership working.

Business plan 2015/16

- 2.4. A business plan is being developed that sets out the practical actions for WYCA in 2015 that will assist in delivering its aspirations. The budget proposed supports the delivery of those actions.
- 2.5. The outline of the business plan is attached as Appendix A. It sets out a number of key actions, including agreeing and implementing the devolution deal, moving to the delivery phase of the Growth Deal and West Yorkshire plus Transport Fund and supporting the work on HS2/HS3 through Transport for the North. Further development of WYCA is also planned, with a focus on ensuring the organisation is in the best position to deliver these projects.

Revenue budget 2015/16

- 2.6. The WYCA has previously considered a number of reports on the medium term financial strategy and the budget strategy for 2015/16. This work has been informed and supported by the Budget Working Group which has considered the 2014/15 transport budget taken over by the WYCA and the issues underlying this.
- 2.7. At present WYCA has direct control and management of the budget relating to transport activities, largely funded by the transport levy on the District councils, which it took over from the former West Yorkshire Integrated Transport Authority. For its first year of activity the economic functions have been fulfilled by the LCR Enterprise Partnership and the Leeds City Region Leaders' Board for which Leeds City Council (LCC) control and manage the staff, funding and budgets. The clear intention has been to bring all of this together and the first step to this has been the co-location of the LEP staff with their WYCA colleagues. From 1 April these staff will be formally transferred to WYCA and along with this the accountable body function will also move from LCC to WYCA.
- 2.8. The LEP will continue to take decisions on the development of the Strategic Economic Plan and its achievement, working alongside the WYCA, as shown below.



2.9. The changes on 1 April 2015 will also include the transfer of the budget that has been agreed by the Leaders' Board. LEP officers have worked with colleagues within the WYCA in establishing this budget and it has been set at a level that ensures the LEP will transfer in to the WYCA fully funded for 2015/16. The budget is summarised below in table 1 for information.

Table 1 LEP budget			
LEP Budget	2014/15 Original	2014/15 Revised	2015/16 Original
Expenditure	£000's	£000's	£000's
LCR Economic Development	1,925	2,492	2,516
Funded By:			
Brought Forward	273	645	356
Partnership Contributions	734	734	734
Government Funding:			
- Direct Support for LEP's	526	529	529
- Projects and Programmes (supporting staff)	342	657	547
- Interest on balances	50	283	350
	1,925	2,848	2,516
Carried Forward		356	

2.10. With regard to the transport budget work has been undertaken to establish a robust position for 2015/16 that recognises the severe funding difficulties facing the District Councils but which enables WYCA to continue delivering the services required. The proposed budget is set out below in table 2, along with a narrative of the key movements in each block. Pay negotiations are still underway for 2015/16 and a small pay award could be accommodated within the proposals should it be agreed.

Table 2				
Transport budget	2013/14	2014/15	2014/15	2015/16
	Actual	Original	Revised	Original
	£000	£000	£000	£000
Expenditure				
Concessionary travel scheme	52,362	53,242	54,341	55,474
Subsidised bus services	19,175	19,490	19,343	19,632
Passenger Services	7,851	8,172	7,971	7,791
Prepaid Tickets	30,610	31,000	31,000	31,000
Rail support	64,391	64,391	43,155	43,155
Pensions	1,541	1,431	1,406	1,406
Combined Authority	121	67	-	-
Financing charges	7,668	7,609	7,352	7,233
Strategic priorities - Rail/Bus	-	250	-	-
Development and Corporate	5,608	6,045	6,209	6,207
	189,327	191,697	170,777	171,898
Less Prepaid Ticket sales	30,610	31,000	31,000	31,000
Special Rail Grant	64,209	64,209	43,155	43,155
Interest Receivable	303	253	369	530
Net Expenditure	94,205	96,235	96,253	97,213
Funded by:				
Transport levy	96,198	96,198	96,198	96,198
(Transfer to)/Use of reserves	(1,993)	37	55	1,015
	94,205	96,235	96,253	97,213

- 2.11. **Concessionary travel** – this is the largest budget line funded by the transport levy and represents the payment to bus and train operators for reimbursement of travel concessions. The largest component of this is the £45m reimbursement to bus operators for the statutory English National Concessionary Travel Scheme (ENCTS). The WYCA is required to reimburse operators on a ‘no better no worse’ principle which is achieved through using the Department for Transport approved reimbursement model.
- 2.12. Any changes to the costs of funding the statutory scheme are not matched by changes in funding and hence as costs have increased savings have had to be found in other areas. Three year agreements have been negotiated with the major bus operators in order to better manage the significant risks that can arise from variations applied to the model as bus fares increase for example.
- 2.13. £9m of this budget funds the concession for young people. Changes have been made in recent years to the way in which these concessions have been provided, with the bus operators providing a larger commercial contribution to these costs. There is a clear objective to increase the concessionary offer to young people, to assist in travelling to college or training for example and further work will be undertaken in 2015/16 to set out the options, costs and funding to achieve this. The WYCA is keen that this should help to support the twin objectives of increasing gross added value and access to employment or training for those in the most deprived communities.
- 2.14. The increase in the budgeted costs for 2015/16 is in accordance with the three year agreement and reflects the modelled expected costs for the discretionary elements ie young persons’ concessions and senior rail concessions.

- 2.15. **Subsidised bus services** – this budget line represents the net payment to bus operators for providing supported bus services, schools services and AccessBus. The major element is the £15.4m of non-schools tendered services which supplement the commercially run network. These services are procured in accordance with value for money criteria ie there are too few passengers for the service to run commercially but sufficient passengers to justify operating the service for the social benefits it provides.
- 2.16. A programme of area network reviews commenced in 2011 and has established a core network of services largely operated commercially and which has reduced WYCA costs by over £5m per annum. There is now little scope to further reduce these costs without cutting services and reducing the viability of the network.
- 2.17. An effective procurement strategy in renewing recent tenders means this budget remains relatively unchanged going into 2015/16 but this will be a challenge to maintain.
- 2.18. **Passenger services** - the passenger services budget line covers the direct costs of provision of bus stations, bus shelters and all passenger information across West Yorkshire. This includes the provision of 8 major bus stations with customer care staff, travel centres, toilets, CCTV, retail and electronic information. Over 30% of bus users visit a major bus station each month and on average 20,000 customers use a bus station each day. In addition WYCA operates a number of unstaffed bus stations such as Batley, Cleckheaton, South Elmsall, Hemsworth and Ossett.
- 2.19. WYCA has 14,000 bus stops and 4,500 bus shelters. An advertising contract allows for a number of these shelters to be maintained by a third party and income of £850k pa is generated through this contract as well as saving on maintenance costs. Opportunities to generate further income at bus stations continue to be explored. There is currently a high level of occupancy of the retail units.
- 2.20. This budget also covers all the direct costs of passenger information. This includes the MetroLine call centre which is open 7 days a week from 7am to 10pm, with an element of this cost being met by bus operators to bring the net operating cost down to £210k. Printed timetables are available for all bus and train services in West Yorkshire as well as printed bus stop timetable displays at 9,000 stops. Bus real time information is available through the internet based journey planner, on screens at bus stops and via text messages. Marketing campaigns to get key messages to public transport users take place periodically and support work to encourage commuters to use public transport through the Travel Plan Network. Funding is also provided to assist job seekers into employment. Automated messages and updates on changes to travel are provided through MetroMessenger.
- 2.21. This budget also includes the costs of service monitoring (surveys to establish bus usage and adherence to conditions), travel planning, management and planning of bus networks and tenders and the provision of schools transport liaison. Savings have been possible in setting the 2015/16 budget as a result of reducing costs in a number of areas. This includes the renegotiation of the contract for shelter repairs

and savings in passenger information as well as an increase in the income generated by advertising on bus shelters.

- 2.22. **Rail costs** - the costs of meeting the rail franchise in West Yorkshire are paid out via the WYCA but fully funded from the Department for Transport (DfT). The reduction in both costs and income in the revised budget for 2014/15 and the budget for 2015/16 is a result of the negotiation between the DfT and the train operating company. In addition an administration grant is received which meets the costs of managing the franchise, including the rail monitoring team and producing rail timetables. The future of this grant is unclear in the light of the move to Rail North and a shared franchising agenda with the Department for Transport. It is assumed that any reduction (or loss) of the grant would be matched by a reduction in the need for the WYCA to undertake the associated work so should not cause a significant budget problem.
- 2.23. **Pensions** - the pension costs are a fixed sum payable to the West Yorkshire Pension Fund in relation to former bus employees prior to 1986; whilst this figure will reduce over time it is a commitment that must be met. The ongoing pension costs of current employees are included in the Passenger Services and Development/ Corporate budget lines.
- 2.24. **Financing costs** - the financing charges relate to the interest and minimum revenue provision for the WYCA's loan book of £79m. The loans in place are part of the capital financing undertaken in the years prior to receiving capital funding as grant and are all at low rates of interest. Decisions on the means of funding the West Yorkshire plus Transport Fund will have an impact on this budget line in future years.
- 2.25. **Corporate and development** - the corporate and development budget line covers all central costs including accommodation and all the costs of ICT, HR, finance, PR, planning/development and legal and democratic services, including staffing, insurance and Members allowances. Savings and efficiencies have continually been sought in these areas through staffing reviews and renewals of contracts.
- 2.26. The total staffing figure for WYCA expressed as full time equivalents is 338, of which 65% are within the passenger services budget line and a further 15% within Development and projects. A vacancy target is set each year and a process to challenge all vacancies before proceeding to recruitment is in place.
- 2.27. As set out earlier in the report there is an intention to transfer in further staff during 2015/16 from the inward investment function of Leeds and Partners and the Regional Economic Intelligence Unit, currently hosted by Leeds City Council. Detailed work is being done by the LEP to identify the funding that will transfer with these functions and ensure their integration with WYCA. This will be reflected through the business plan as it is developed.
- 2.28. The position for 2015/16 is only possible through the use of reserves and the proposal is that, for one year only, up to £1.0m of reserves is utilised to balance the budget.

Reserves policy

- 2.29. The budget proposals must 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 as such will vary from year to year and from organisation to organisation. A calculation regarding the transport spend and the related risks for each of its budget blocks has been considered and the workings are set out in table 3 below along with the reserves position from the proposed budget (table 4).

		Budget £m	Reserves £m
Concessions	ENCTS Budget	44.7	
	5% contingency for volatility of ENCTS payments		2.2
	Young Persons Concession	10.0	
	7% contingency re patronage volatility		0.7
Subsidised services	Tendered service budget	19.6	
	7% contingency re contract inflation/renewal rate/BSOG		1.4
Other activities	Passenger Services	7.8	
	Development/corporate	6.2	
	Financing charges	6.7	
	5% contingency for other spend areas		1.0
			5.3

	2013/14 Actual	2014/15 Latest projection	2015/16 Budget
	£000	£000	£000
brought forward	4,577	6,570	6,515
movement in year	1,993	-55	-1,015
carried forward	6,570	6,515	5,500

- 2.30. The projected reserves for the end of 2014/15 are higher than those previously assessed as required, due largely to savings achieved in 2013/14 over those budgeted. This effectively provides the opportunity to release up to £1.0m of reserves to support the 2015/16 budget which will then enable the time for a more considered approach to be undertaken in the coming year with regard to cost reductions. Work will also be undertaken to ensure the reserves policy is set at the optimum level to meet the requirements of WYCA and the District Councils.

Transport levy

- 2.31. The transport levy for normal transport activities has been either reduced or frozen for a number of years, a position that has been agreed between the former WYITA and the District Councils who are served by the public transport network. Cost reductions over recent years have been achieved against a background of an increasing workload with the development and implementation of the third Local Transport Plan, Combined Authority developments and work towards quality contracts, rail devolution and the WY+TF. In 2013/14 the Government clarified that the transport levy falls within the council tax referendum limit for the District Councils that pay the levy.
- 2.32. Increases to the levy have been made to respond to the demands of the West Yorkshire plus Transport Fund (WY+TF). These have been kept in a ringfenced reserve and released solely to fund WY+TF activities. As part of the negotiations with government regarding a payment by results approach to the WY+TF Districts agreed to a small annual increase in the levy for a ten year period. For 2015/16 that increase is £388k, a 0.38% levy increase. Further information on the position with the WY+TF is set out in paragraphs 2.55 onwards.
- 2.33. The levy proposal for 2015/16 has been previously endorsed by the WYCA and is that the levy for normal transport purposes remains unchanged. This position is supported by a use of reserves of £1.0m. This will enable the WYCA to set a balanced and robust budget for 2015/16 which will see current service levels and activities maintained, supported by reserves of £5.5m, which is in accordance with the proposed reserves policy.
- 2.34. Adjustments have been made to the levy for a number of years to enable an equitable distribution of funding that has been paid to Districts when formerly it was paid directly to the former WYITA. This includes for example concessionary fares funding that was paid to the Districts on a different formula basis than population. These adjustments were agreed with the Districts and ensure that they each 'passport' through to the Authority any relevant direct funding received. The mechanism involves setting a gross levy and providing a rebate to each District 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 2015/16.
- 2.35. Table 5 below sets out the net and gross levy by population, in accordance with the regulations. Table 6 below demonstrates the movement in the net levy between 2014/15 and 2015/16 which takes into account the 0.38% increase in the levy and the movement in population which this year is relatively small.

	Relevant Population	Net Levy 2014/15 £	Gross 15/16 £	% of levy by District	Refund 2015/16 £	Net levy 2015/16 £
	June'13 for 2015/16					
Bradford	526,369	23,854,422	25,007,407	23.4%	1,091,663	23,915,744
Calderdale	206,355	9,119,713	9,803,776	9.2%	648,715	9,155,061
Kirklees	428,279	18,627,886	20,347,223	19.0%	1,629,026	18,718,197
Leeds	761,481	34,032,078	36,177,407	33.8%	2,016,459	34,160,948
Wakefield	329,708	15,459,168	15,664,187	14.6%	132,670	15,531,517
	2,252,192	101,093,267	107,000,000	100.0%	5,518,533	101,481,467

	Relevant Population	WYTF Extra Levy	Levy Change Population	Total levy Increase
	June'13 for 2015/16	£	£	£
Bradford	526,369	91,486	-30,165	61,321
Calderdale	206,355	35,021	326	35,347
Kirklees	428,279	71,604	18,707	90,311
Leeds	761,481	130,675	-1,803	128,872
Wakefield	329,708	59,414	12,935	72,349
	2,252,192	388,200	0	388,200

- 2.36. 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 2015.

Capital programme

- 2.37. The following paragraphs set out the capital funding available to the WYCA for 2015/16 and subsequent years and the indicative capital programme for which this funding will be used. It reflects the impact of the changes to the way in which the Department for Transport provides capital funding, most notably the devolution of the major scheme funding and the topslice of LTP funding to the regional Growth Deals.
- 2.38. The indicative programme for 2015/16 reflects the priorities of the WYCA as set out in the business plan, and will see the completion of a number of key projects such as the Leeds Station Southern Entrance and the start of work on a range of projects. The work being undertaken on a strategic Single Transport Plan will inform future project prioritisation and funding allocations.

Integrated transport block

- 2.39. In the LTP settlement letter issued on 24 July 2014, the Department for Transport (DfT) confirmed the Integrated Transport block allocations from 2015/16 to 2017/18 with indicative allocations provided for 2018/19 to 2020/21. The Combined Authority is the accountable body for transport in West Yorkshire and funding will

therefore be allocated to the Combined Authority.

- 2.40. The Authority therefore has the responsibility for distributing LTP funding to the District Councils to deliver the agreed Implementation Plan (IP). In order to do this a mechanism has been established to make payments to District Councils during the year that reflect the planned delivery of the Integrated Transport Block funded programme.
- 2.41. The Highways Maintenance funding is received by the WYCA with allocations, as determined by the DfT's formulaic allocation, made to District Councils in full through the quarterly payments process. A Challenge Fund has recently been announced; the outcome of the bid submission for further highway maintenance funding will be reported to a future meeting.
- 2.42. The Integrated Transport block allocations for the period 2015-18 reflect the latest settlement from DfT and show a reduction due to the Local Growth Fund (LGF) top-slice. The IP2 programme also includes funding carried forward from IP1 which has been integrated into the capital plans during 2014/15 and 2015/16. The DfT major scheme funding allocations are in relation to Leeds Station Southern Entrance (LSSE) and Kirkstall Forge and Apperley Bridge stations (KFAB) with non LTP funding relating primarily to NGT, KFAB and the Local Sustainable Transport Fund (LSTF). Table 7 below sets out the cash allocations for the next three years including the carry-over of funding.

Funding Source	IP2				
	14/15	2015/16	2016/17	2017/18	IP2 Total
	Confirmed	Confirmed	Confirmed	Confirmed	
	£000s	£000s	£000s	£000s	£000s
Integrated Transport	27,165	13,104	13,104	13,104	66,477
Integrated Transport Carried Forward from 2013/14	7,487	4,465	-	-	11,952
Funding transferred from Maintenance Block	1,000	-	-	-	1,000
TOTAL LTP IT BLOCK	35,652	17,569	13,104	13,104	79,429
Non LTP3 Funding	22,363	23,977	4,153	20	50,513
Maintenance	22,766	29,213	26,782	25,971	104,732
DfT Major Scheme - legacy	16,628	4,706	-	60,000	81,334
Total	97,409	75,465	44,039	99,095	316,008

- 2.43. The Authority's capital available for transport schemes in 2015/16 is therefore £75.465m, with this funding being provided as capital grant (not supported borrowing).
- 2.44. The governance arrangements that worked effectively in IP1 have largely continued to operate for LTP3 IP2 Integrated Transport Block 2014-17, now under the direction

of the Combined Authority, with a key change being the establishment of a Transport Committee.

- 2.45. Since the creation of the WYCA on 1 April 2014 the Transport Committee has been overseeing the delivery of the transport schemes provided for within the indicative capital programme and approving the release of integrated transport block funding for individual projects. It has also been responsible for approving quarterly payments to the District partners. These arrangements enable progress to be made on delivery whilst ensuring appropriate scrutiny of plans. It is proposed that this arrangement continues to enable progress with schemes due to be started in late 2014/15 and the early part of 2015/16, with this approach formalised within the Committee terms of reference and delegations that will be presented to the AGM.
- 2.46. The IP2 shows a detailed breakdown of project interventions across the partners with allocations of funding reflecting this plan. The indicative Implementation Plan was previously approved by the WYITA last February and was subsequently approved by the Combined Authority at its inception in April. The allocation of IT block funding across district partners is shown in table 8 below.

Partner Authority	IP2				TOTAL £000s
	2014/15 (Indicative) £000s	2015/16 (Indicative) £000s	2016/17 (Indicative) £000s	2017/18 (Indicative) £000s	
Bradford	1,260	1,675	1,518	Subject to development of programme	4,453
Calderdale	1,544	815	721		3,080
Kirklees	2,364	2,497	1,518		6,379
Leeds	5,618	1,972	2,240		9,830
Wakefield	1,494	1,423	1,260		4,177
WYCA	12,748	11,906	4,701		29,355
Held centrally	425	348	2,073	13,104	15,950
Cycle City Grant	-	6,205	-		6,205
Total	25,453	26,841	14,031	13,104	79,429

- 2.47. The allocation of IP2 funding reflects the impact of the government's decision to create a local growth fund (LGF) which will be worth £2bn (un-ring-fenced) per year from 2015/16-2020/21. The LGF draws funding from central government with a large proportion coming from DfT replacing funding streams such as major scheme funding, LSTF and a top slice nationally off the Integrated Transport Block. The outcome of the Strategic Economic Plan (SEP) bid into the LGF was announced on 7 July 2014 with the Leeds City Region securing a settlement of £572.9m over a 6 year period (further detail is provided at paragraph 2.52 of the report). The impact of this on the IP2 integrated transport block allocations for 2015-17 is a reduction of 52% against the 2014/15 allocation and the IP2 plan which was approved as an interim

plan last year has been adjusted to reflect this new strategic approach to funding allocations.

- 2.48. The 3 year implementation plan 2014-2017 identifies successful funding bids to DfT including the Local Sustainable Transport Fund (LSTF), Cleaner Bus Technology Grant and contributions for the Carplus scheme. Additionally other funding sources are identified including Leeds City Council funding for NGT development and developer contributions funding the KFAB scheme. The West Yorkshire Implementation Plan 2 2014-17 (the financial year 2018 falls into LTP IP3 so is not shown in detail) is shown in detail at Appendix B). A summary of the funding for IP2 is shown in table 9 below. This includes a small element of overprogramming to assist in ensuring available funds are fully utilised in the year.

Funding Source	IP2				
	2014/15	2015/16	2016/17	2017/18	TOTAL
	£000s	£000s	£000s	£000s	£000s
LTP IT Block Funding	27,165	13,104	13,104	13,104	66,477
LTP IT Block Funding (Carried Forward from IP1)	7,487	4,465	-	-	11,952
Funding transferred from Maintenance Block	1,000	-	-	-	1,000
LTP IT Block adjustments to reflect reprofiling	-10,199	9,272	927	-	-
Subtotal IT Block	25,453	26,841	14,031	13,104	79,429
Non LTP Funding	22,363	23,977	4,153	20	50,473
DFT Major Scheme legacy	16,628	4,706	-	60,000	81,334
Total LTP3 IT Implementation Plan	64,444	55,524	18,184	73,124	211,236
IT overprogramming	3,318	5,932	1,003	-	10,293
Total WY Implementation plan value (including overprogramming and Major scheme Funding)	67,762	61,456	19,187	73,124	221,529

- 2.49. The implications for the Authority's capital programme, which is a component of the overall West Yorkshire programme, is that the Combined Authority will directly deliver £37.217m of schemes in 2015/16, as summarised in table 10 below and set out in more detail in Appendix C.

Funding Source	IP2		
	2014/15	2015/16	2016/17
	£000s	£000s	£000s
LTP3 IT Block Funding	12,748	11,906	4,701
Non LTP Other funding	17,042	15,561	3,609
DfT Major Scheme Funding	16,628	4,706	-
Total LTP3 Funding	46,418	32,173	8,310
IT Overprogramming	183	4,772	782
WYCA LTP3 IT Implementation Plan (including overprogramming)	46,601	36,945	9,092

Highways

- 2.50. The West Yorkshire partners are anticipating utilising all the allocated Highways Maintenance Block funding for 2014/15. Table 11 below shows the proposed allocation of Highways Maintenance Block funding for future years between the LTP3 District Partners which is in line with DfT's formulaic allocation.

Partner Authority	IP2			
	2014/15	2015/16	2016/17	2017/18
	(Confirmed)	(Confirmed)	(Confirmed)	(Confirmed)
	£000s	£000s	£000s	£000s
Bradford	5,228	6,180	5,665	5,494
Calderdale	3,367	3,941	3,613	3,504
Kirklees	4,333	6,116	5,607	5,437
Leeds	6,858	8,700	7,977	7,735
Wakefield	2,980	4,276	3,920	3,801
WYCA	-	-	-	-
HM Payback to IT block	1,000	-	-	-
Total	23,766	29,213	26,782	25,971

- 2.51. Additional IT Block funding of £3.018m awarded by DfT in 2011/12 was utilised to provide funding for Highways Maintenance in IP1. Under the terms of this arrangement this funding is to be repaid to the IT Block from the Highways maintenance allocations during IP2. This is not yet reflected in the IP2 programme.

The SEP and Growth Deal

- 2.52. Government has created a new Local Growth Fund, of around £2bn per year, to operate from April 2015. Each of the 39 Local Enterprise Partnerships (LEPs) in England was asked to submit a Strategic Economic Plan (SEP) to government by 31

March 2014 as part of a competitive bidding process to win a share of the new Fund. The government then announced 'growth deals' that allocate both financial resources and devolved powers and flexibilities for each LEP for 2015-16 and beyond.

- 2.53. The government announced the Growth Deals for all LEPs on 7 July 2014. The headlines are that over the 6 year period (2015/16 – 2021/22) of the deal the Leeds City Region has secured £572.9 million, which is the largest settlement in the country. This includes £180m for the West Yorkshire plus Transport Fund (WY+TF). In addition a further £420m will be provided between 2020/21 and 2034/35 (£30m per year) for the Transport Fund.
- 2.54. The delivery of the non transport elements of the Growth Deal are being progressed by the LCR Enterprise Partnership. As part of the close working relationship with WYCA this is being overseen by the Investment Committee and WYCA which provides a governance arrangement that will be formalised from 1 April.

WY+TF and devolved Major Scheme Funding

- 2.55. Within the Growth Deal West Yorkshire and York also secured a unique 20-year settlement of £30m per year to support the West Yorkshire plus Transport Fund. This will deliver a further £420m in government funding from 2021-22 to 2034-35. Taken together with previously announced devolved transport funding and locally-agreed contributions, this will facilitate a Transport Fund of around £1billion.
- 2.56. Subsequent feedback from Government has provided clarity on future funding profiles to be made available to the West Yorkshire Combined Authority (WYCA) and York. A commitment has been made over the 20 year life of the settlement to provide £183m from the Department for Transport devolved local major scheme fund and £180m from the Local Growth Fund. Subject to satisfying a gateway review process at five yearly intervals a further £420m will be available over the 20 years of the settlement. In combination with local contributions from the Combined Authority Partners and York (£217m) this gives a total available funding pot of £1bn.
- 2.57. Funding beyond 2021 would be subject to 5 yearly reviews starting in 2019. These reviews are required to be undertaken by an independent panel that will assess the economic impacts of the schemes delivered as well as considering the success of delivering on time and on budget.
- 2.58. The WYCA has previously considered the position with regard to the WY+TF and has endorsed the programme of schemes that have been agreed as best meeting the objectives of the Fund. Contributions have been made via the transport levy for the last four years and a small further contribution has been agreed for 2015/16 and subsequent years. Work is still underway to establish the most appropriate way in which to increase local contributions from 2016/17 onwards in order to address the remaining funding gap.

- 2.59. The specific local contributions from previous years have been kept in a ringfenced reserve and released in order to enable progress with the development of schemes. The current position is set out in table 12 below.

Table 12 WY+TF specific reserves		2013/14	2014/15	2015/16
		£000	£000	£000
Total	brought forward	2,700	4,085	1,862
	Contributions in the year	3,352	4,895	5,283
	Utilisation of reserves	-1,967	-7,118	-7,145
	carried forward	4,085	1,862	-

Treasury management

- 2.60. The treasury management function is undertaken in conjunction with Leeds City Council. The WYCA 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 D.
- 2.61. The current treasury management arrangements have been regularly reviewed to ensure they are appropriate for the organisation. The next year will see significant change, with increases in funding arising from the LEP activities including the Growth Deal and the development of the WY+TF. This will necessitate a review of the arrangements to ensure they are still best meeting the needs of the WYCA. Any proposed changes will be progressed through the Governance and Audit Committee.

Future work

- 2.62. The development of the 2015/16 budget and transport levy has been assisted by the work of the Budget Working Group. It has identified further work to be undertaken during 2015/16 which could usefully be overseen by a similarly constituted working group with a broader remit regarding the further financial development of the organisation. This would include consideration of the budget taken on with the LEP in April 2015, how this is integrated with the existing budgets and what the future shape of the WYCA budgets should look like going forward. The work would include further development of an appropriate reserves policy and a treasury management policy that reflected the changing shape and size of the organisation. This work would involve input from the Governance and Audit Committee and the Scrutiny and Overview Committee.
- 2.63. A previous meeting of the WYCA has already noted the requirement to consider options to reduce expenditure from 2016/17 onward as it is not prudent to continue relying on reserves to support ongoing expenditure. That work will involve input from the Transport Committee to consider the consequences of different proposals to reduce expenditure or service levels.
- 2.64. The WYCA is asked to approve the change from a Budget Working Group to a Finance Working Group that will oversee work on developing the medium term financial strategy that will support the full aspirations of the WYCA.

3. Financial implications

- 3.1. As set out in the report.

4. Legal Implications

- 4.1. The Combined Authority is required to set the transport levy for the coming year. An Order amending the Transport Levying Bodies Regulations to apply to Combined Authorities has been laid before Parliament and is expected to become law prior to 1 April 2015.

5. Staffing Implications

- 5.1. The budget for 2015/16 includes the funding for the current approved establishment and the associated employer on-costs.

6. Consultees

- 6.1. The Head of Paid Service, Acting Director Transport, Transport Committee and the Budget Working Group have provided input to this report.

7. Recommendations

- 7.1. That approval be given to the revised budget for 2014/15 and the proposed budget for 2015/16 for the WYCA.
- 7.2. That approval be given to the indicative capital programme for 2015/16 – 2017/18.
- 7.3. That the Transport Committee be delegated to approve individual schemes within the integrated transport block of the 2015/16 capital programme up to a maximum cost of £3m.
- 7.4. 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 1992 (as amended) a levy of £107m be determined for the year ended 31 March 2016.
- 7.5. That the Chief Financial Officer be authorised to issue the levy letter in respect of the financial year ending 31 March 2016 to the five District Councils in West Yorkshire.
- 7.6. That a payment of £5.519m be made to the District Councils in accordance with table 5 of the report.
- 7.7. That in principle approval be given to the transfer of staff working for the inward investment function of Leeds and Partners and those working within the Regional Economic and Investment Unit to the LEP function, pending receipt of detailed plans and funding from the LEP Board to be considered by the WYCA at a future meeting.

- 7.8. That authorisation be given to the Chief Financial officer to arrange appropriate funding for all expenditure in 2014/15 and 2015/16 subject to statutory limitation.
- 7.9. That the adoption of the CIPFA Code of Practice for Treasury Management in Public Services be reaffirmed.
- 7.10. That the treasury management policy as set out in Appendix D be approved.
- 7.11. That the prudential limits for the next three years as set out in Appendix D be adopted.
- 7.12. That the Budget Working Group be modified to a Finance Working Group and oversee the work set out in paragraphs 2.62 to 2.64 above.

WYCA Business Plan - outline

INTRODUCTION

The WYCA is the driving force for economic growth across the Bradford, Calderdale, Kirklees, Leeds and Wakefield districts and the City of York Council area. Our key achievements of 2014 include:

- Best Growth Deal in the country
- Creation of the West Yorkshire plus Transport Fund
- Smart Card Implementation, changing the way we do business
- Progress with major infrastructure projects (Bus and Rail Stations)
- Tour de France

WYCA brings together key decision-making powers into a single body, putting West Yorkshire and the wider Leeds City Region, including the City of York, in a much stronger position to tackle its shared economic challenges - including improving transport - by boosting jobs and growth.

The manifesto for WYCA is:

1. We're going to become the most enterprising part of the UK and become an overall contributor to the national economy within five years.
2. We're going to create 20,000 job opportunities, equip 50,000 people with the skills our economy and public services need and enable 200,000 new homes that are affordable to be built, so that every young person is guaranteed either a job or training opportunity and no one is homeless.
3. We're investing £1 billion for the long term to create a smart Metro-style transport system that gets people around quickly and comfortably, so that everyone is closer to our City and Town centres and travel between them is simple, we live in a cleaner local environment and have access to superfast broadband.
4. We're going to show how local government can transform and work better with the NHS, police and other public sector partners to better co-ordinate our approaches and collaborate effectively to provide the best public sector support to citizens; relevant, enterprising and caring.
5. We want the newly-elected Government to back our unique team of council and business leaders by giving us more powers and responsibilities over transport, jobs, skills and housing.

STRATEGIC ECONOMIC PLAN

The WYCA Vision is to unlock the potential of the City Region, developing an economic powerhouse that will create jobs and prosperity.

The headline targets by 2021:-

- £5.2bn additional economic output beyond current projections
- 62,000 extra jobs
- £675m in benefits savings
- Making the City Region a net contributor to the national economy

Our Plan is founded on four strategic pillars, which respond to our key economic challenges and opportunities:

- 1 Supporting growing businesses
- 2 Developing a skilled and flexible workforce
- 3 Building a resource smart City Region
- 4 Delivering the infrastructure for growth

The priorities which the Strategic Economic Plan (SEP) will deliver are:-

better connectivity – our economic potential is clear: our ambition and intention is to connect people to jobs and goods to markets seamlessly.

more and better jobs – in addition to delivering a NEET-free City Region, we will create more of the good quality jobs that offer real opportunity for prosperity – including 3,000 apprenticeships.

more and better housing – we will double house-building by 2021, creating more affordable housing to increase living standards and disposable income, and reduce our benefit bill yet further.

private sector growth – that is sustainable, above-trend and based on innovation, exports and inward investment.

a lean, resource-efficient City Region – underpinned by a 21st Century energy infrastructure that is already generating one-sixth of the country's electricity.

TRANSPORT

Good local and regional transport links underpin the development of business and the creation of new jobs. For this reason, the WYCA will be using a planned £1bn West Yorkshire plus Transport Fund targeted at reducing congestion, improving the flow of freight and making it easier for people to commute to and from expected major growth areas.

In July, the Government announced that the WYCA had secured funding to establish a £1bn West Yorkshire plus Transport Fund. The Fund will comprise £600m of Government funding government over 20 years and £183m of other devolved transport funding previously secured through the City Deal and local contributions. It will foster growth by improving the City Region's roads and railways and connecting people to jobs and goods to markets seamlessly.

The WYCA is also committed to seizing the economic benefits of high-speed rail for the region. HS2 is expected to directly benefit Leeds City Region to the tune of £1bn a year in extra economic growth, and Transport Fund investment will ensure the key towns and cities in this large and diverse City Region have fast, efficient access to the high-speed network.

Better transport connections are the lynchpin of WYCA's objectives and improvements to the local transport network feature in its plans. Alongside Trans-Pennine rail electrification, other investment programmes such as NGT, Leeds Station Southern Entrance, the new Castleford Bus Station, and Kirkstall Forge and Apperley Bridge rail stations are already in place and forecast to play their part in unlocking billions of pounds of additional economic output and creating thousands of jobs. By helping create around 18,000 new jobs over the next 10 years and increasing economic output by £1bn per year, the Transport Fund will be key to increasing economic prosperity and sustainability.

The WYCA works to develop better transport networks and provide day-to-day services, such as bus stations and travel centres under the Metro brand name. It also runs the MetroLine call centre, the Metro websites and the yournextbus real-time service. The Combined Authority also works with the region's bus and train operators to bring about improved services and better value for money on behalf of local people. This includes subsidising local bus and train services and funding concessionary fares for young people, disabled and blind people and seniors.

WYCA DEVELOPMENT

Change for WYCA is essential to ensure that the organisation is in a position to deliver these aspirations. The WYCA development programme will focus on integrating the economic and transport functions and evolving WYCA vision. The change will be focused particularly in the following areas:

- The incorporation of the Local Economic Partnership (LEP),
- The new focus on economic growth as a driver for everything we do,
- The massive opportunities associated with the additional funding secured for the delivery of an ambitious programme of work.

The Development Programme follows on from the formation of the Combined Authority, via four key work streams:

- **Mission:** Developing our mission and vision as a means of directing and prioritising our work, taking on multiple brands and identities and working out how to make sure we set out our message in the right way for the right audience.
- **Governance:** Embedding new ways of working, particularly in relation to the decision making arrangements, both internally and across the Leeds City Region.

- **Government:** Being clear about who we need to work with, using our new status to 'open doors' in Whitehall and making sure that everyone knows what we're all about and what we're working towards.
- **Organisation:** Making sure we have the right people, with the right skills, in the right teams doing the right work. Ensuring our organisational structures match the work we have to do, looking at different ways to 'package' teams together in order to get the best out of them.

WYCA HEADLINES

The WYCA key priorities for 2015/16 are to:

- Agree and implement the Devolution Deal
- Review the effectiveness of City Region governance
- Prepare for the outcome of the general election and the subsequent spending review
- Complete development of the Single Transport Plan, including a bus strategy and low emission / low carbon initiatives.
- Support preparatory work for HS2/HS3 and pan-northern connectivity through Transport for the North.
- Start to deliver the schemes funded through the Growth Deal and the West Yorkshire plus Transport Fund.
- Develop financial strategies and associated efficiencies and economies, including further collaboration and development of self-service options.
- Enhance procurement and contract management procedures, including those relating to the West Yorkshire plus Transport Fund.
- Make a Ticketing Scheme under the Transport Act 2000 to secure the benefits of investment in ticketing technologies.
- Adopt smartcard data for reimbursing bus and rail operators for concessionary travel and apportioning pre-paid multi-operator ticket revenues, achieving efficiency savings.

PROGRAMME AREA	2014/15			2015/16			2016/17			TOTAL		
	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)
Highway Asset												
Highway Resurfacing / Reconstruction	14,458	14,458										
Bridges, structures and retaining walls	6,662	6,662		29,213	29,213		26,782	26,782		78,761	78,761	
Street Lighting	1,646	1,646										
TOTAL Highway Assets	22,766	22,766		29,213	29,213		26,782	26,782		78,761	78,761	
Public Transport Asset												
Leeds City Bus station Carriageway Reconstruction	25	25		800	800					825	825	
Bus shelter programme – 30 shelters per year	250	250		250	250		223	223		723	723	
Smart 5 refurbishment to extend asset life				900	900		900	900		1,800	1,800	
Access bus and operational vehicle replacement	783	783					488	488		1,271	1,271	
MyBus extend life - CVTF Phase 1	1,069	570	499				180	180		1,249	750	499
ICT system infrastructure				272	272		274	274		546	546	
Desktop Virtualisation	293	293								293	293	
Schemes Costing less than £250k	520	472	50	413	413		420	420		1,175	1,125	50
SUB TOTAL PUBLIC TRANSPORT ASSET	2,940	2,393	549	2,635	2,635		2,485	2,485		7,882	7,333	549
Network Management												
Joint UTC Control – WY wide	205	205		166	166					371	371	
West Yorkshire Improved Data Network – WY wide	505	505		607	607		467	467		1,579	1,579	
Improve Signals Operation – WY wide	1,241	1,241		1,080	1,080		1,148	1,148		3,469	3,469	
Variable Message Signs and other signing – WY wide	272	272		621	621		180	180		1,073	1,073	
Kirklees Snow Signs / Information	4	4		120	120					124	124	
New information signs	76	76		490	490		519	519		1,085	1,085	
Traffic Signals Maintenance	441	441		330	330		360	360		1,131	1,131	
Freight	50	50		50	50					100	100	
Leeds Rodley roundabout	306	306								306	306	
Leeds Thornbury barracks	533	533								533	533	
Pontefract Town End	208	208		208	208					416	416	
Horsforth roundabout, Leeds	1,466	1,466								1,466	1,466	
SUB TOTAL NETWORK MANAGEMENT	5,307	5,307		3,672	3,672		2,674	2,674		11,653	11,653	
Information												
Smartcards	3,200	1,272	1,928	400	400					3,600	1,672	1,928
Transport Data management				475	475		425	425		900	900	
Multi-modal, hubs, disruption information, web portal				575	575		525	525		1,100	1,100	
Bus real time Evolution	108	108		356	356		536	536		1,000	1,000	
SUB TOTAL INFORMATION	3,308	1,380	1,928	1,806	1,806		1,486	1,486		6,600	4,672	1,928
Cycling and Walking												
CCAG City Connect superhighway (Bradford & Leeds)	6,294		6,294	17,739	7,500	10,239	662		662	24,695	7,500	17,195
CCAG 2				1,000	1,000		1,000	1,000		2,000	2,000	
LCCN9 Chaple Allerton to Leeds centre route	500	500								500	500	
Cycling and Walking Calderdale / Kirklees / Wakefield	840	840								840	840	
SUBTOTAL CYCLING AND WALKING	7,634	1,340	6,294	18,739	8,500	10,239	1,662	1,000	662	28,035	10,840	17,195
Integrated Public Transport												
Bus Quality Contract / Bus Quality Partnership development	100	100		1,000	1,000		266	266		1,366	1,366	
Hubs Programme	752	752		435	435		150	150		1,337	1,337	
Bus Hotspots	441	441		150	150		150	150		741	741	
Castleford Bus Station	5,414	5,351	63							5,414	5,351	63
Low Moor Rail Station	2,012	1,442	570	7,932	7,932		595	595		10,539	9,969	570
Leeds Elland Road Park and Ride	1,600	1,600								1,600	1,600	
Huddersfield Town Centre	1,565	1,565								1,565	1,565	
Pontefract Monkhill	396	296	100							396	296	100
WiFi on Trains	750		750							750		750
Wakefield Kirkgate	589	589								589	589	
Integrated Transport Schemes costing £250k or less	510	510		200	200					710	710	
SUBTOTAL INTEGRATED PUBLIC TRANSPORT	14,129	12,646	1,483	9,717	9,717		1,161	1,161		25,007	23,524	1,483
Safer Roads												
Bradford KSI Casualty Reduction including locally determined Traffic Management	809	715	94	923	923		923	923		2,655	2,561	94
Bradford Local Traffic Management	306	306								306	306	
Calderdale KSI Casualty Reduction including locally determined Traffic Management	325	325		442	442		442	442		1,209	1,209	
Calderdale locally determined Traffic Management	113	113								113	113	
Kirklees KSI Casualty Reduction including locally determined Traffic Management	528	528		754	754		754	754		2,036	2,036	
Kirklees locally determined Traffic Management	226	226								226	226	
Leeds KSI Casualty Reduction including locally determined Traffic Management	1,035	1,035		1,478	1,478		1,477	1,477		3,990	3,990	
Leeds locally determined Traffic Management	443	443								443	443	
Wakefield KSI Casualty Reduction including locally determined Traffic Management	369	369		737	737		736	736		1,842	1,842	

PROGRAMME AREA	2014/15			2015/16			2016/17			TOTAL		
	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)
Wakefield locally determined Traffic Management	368	368								368	368	
WY Safer Roads support	66	66		66	66		68	68		200	200	
SUB TOTAL SAFER ROADS	4,588	4,494	94	4,400	4,400		4,400	4,400		13,388	13,294	94

Bids and Leverage												
Rail Devolution	700	245	455	635	223	412	50	50		1,385	518	867
Rail Development programme	265	263	2	200	200		200	200		665	663	2
Station Enhancements and accessibility improvements - Match to lever in rail industry / 3rd party funds (* dependent on external funding opportunities)					1,050		250	250		250	1,300	
Local LTP match for funding bids. Non-rail projects e.g. Local Pinch Points, Cycle City Ambition etc (* dependent on external funding opportunities)	179	179		180	180		941	941		1,300	1,300	
LSTF 2015/16				2,924		2,924				2,924		2,924
Bids and Leverage schemes costing £250k or less	233	180	53	100	63	37				333	243	90
SUBTOTAL BIDS AND LEVERAGE	1,377	867	510	4,039	1,716	3,373	1,441	1,441		6,857	4,024	3,883

Low Carbon Fuels and Technologies												
Low Carbon Fuels and Technology schemes costing £250k or less	160	160		160	160		40	40		360	360	
OLEV - Electric Vehicle Charging Points	364	19	345							364	19	345
SUB TOTAL LOW CARBON FUELS AND TECHNOLOGIES	524	179	345	160	160		40	40		724	379	345

Other												
Other schemes costing costing £250k or less	166	166		167	167		167	167		500	500	
TOTAL OTHER	166	166		167	167		167	167		500	500	

TOTAL INTEGRATED TRANSPORT BLOCK	39,973	28,772	11,203	45,335	32,773	13,612	15,696	15,034	662	100,826	76,399	25,477
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DfT Major Schemes												
Rail Growth	9,425		9,425	5,519		5,519	55		55	14,999		14,999
Leeds Station Southern Entrance	7,603		7,603	6,079		5,029				13,682		12,632
NGT	10,760		10,760	4,523		4,523	3,436		3,436	18,719		18,719
TOTAL MAJOR SCHEMES	27,788		27,788	16,121		15,071	3,491		3,491	47,400		46,350

INTEGRATED CAPITAL PROGRAMME GRAND TOTAL	90,527	51,538	38,991	90,669	61,986	28,683	45,969	41,816	4,153	226,987	155,160	71,827
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FUNDING	97,409			75,465			44,039			216,913		
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PROGRAMME AREA	2014/15			2015/16			2016/17			TOTAL		
	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)
	Public Transport Asset											
Dewsbury bus station refurbishment				75	75		75	75		150	150	
Leeds City Bus station	35	35		930	930					965	965	
CCTV system (pan, tilt, zoom) camera replacement – various bus stations				75	75		75	75		150	150	
Cleckheaton bus station culvert structural repairs	100	100								100	100	
Bus shelter programme – 30 shelters per year	250	250		250	250		223	223		723	723	
Smart 5 refurbishment to extend asset life				900	900		900	900		1,800	1,800	
Access bus and operational vehicle replacement	783	783					488	488		1,271	1,271	
MyBus extend life - CVTF	1,069	570	549				360	360		1,429		
Bus Station Works	50		50							50		50
ICT system infrastructure	654	654		259	259		170	170		1,083	1,083	
SUB TOTAL PUBLIC TRANSPORT ASSET	2,941	2,392	599	2,489	2,489		2,291	2,291		7,721	6,242	50
Information												
Smartcards	3,200	1,272	1,928	400	400					3,600	1,672	1,928
Transport Data management				475	475		425	425		900	900	
Multi-modal, hubs, disruption information, web portal				575	575		525	525		1,100	1,100	
Bus real time Evolution	108	108		356	356		536	536		1,000	1,000	
SUB TOTAL INFORMATION	3,308	1,380	1,928	1,806	1,806		1,486	1,486		6,600	4,672	1,928
Cycling and Walking												
CCAG City Connect superhighway (Bradford & Leeds)	1,120		1,120	3,158	1,335	1,823	118		118	4,396	1,335	3,061
CCAG 2				178	178		178	178		356	356	
SUBTOTAL CYCLING AND WALKING	1,120		1,120	3,336	1,513	1,823	296	178	118	4,752	1,691	3,061
Integrated Public Transport												
Bus Quality Contract / Bus Quality Partnership development	100	100		1,000	1,000		266	266		1,366	1,366	
IP1 Hubs Programme	302	302								302	302	
Heckmondwike Hub	70	70								70	70	
Castleford Bus Station	5,414	5,351	63							5,414	5,351	63
Low Moor Rail Station	2,012	1,442	570	7,932	7,932		595	595		10,539	9,969	570
Elland Rail Station				200	200					200	200	
Leeds Elland Road Park and Ride	120	120								120	120	
CIS Screens at Rail Stations Phase 3	115	115								115	115	
Pontefract Monkhill	396	296	100							396	296	100
Traffic Light Priority	30	30								30	30	
WiFi on Trains	750		750							750		750
Wakefield Kirkgate	589	589								589	589	
SUBTOTAL INTEGRATED PUBLIC TRANSPORT	9,898	8,415	1,483	9,132	9,132		861	861		19,891	18,408	1,483
Bids and Leverage												
Rail Devolution	700	245	455	635	223	412	50	50		1,385	518	867
Rail Development programme – from RailPlan7				200	200		200	200		400	400	
Completion of Phase 2	35	33	2							35	33	2
HS2 - Connectivity Plan & Requirement to be HS2 ready	200	200								200	200	
Feasibility	20	20								20	20	
ECML development works	10	10								10	10	
Station Enhancements and accessibility improvements - Match to lever in rail industry / 3rd party funds (* dependent on external funding opportunities)					1,050		250	250		250	250	
LSTF 2015/16				2,924		2,924				2,924		2,924
CarPlus Demonstration Project				100	63	37				100	63	37
SUBTOTAL BIDS AND LEVERAGE	965	508	457	3,859	1,536	3,373	500	500		5,324	1,494	3,830
Gas Station Feasibility												
Gas Station Feasibility	15	15								15	15	
Select Project - Procurement Evaluation Tool	35	35		35	35					70	70	
OLEV - Electric Vehicle Charging Points	364	19	345							364	19	345
SUB TOTAL LOW CARBON FUELS AND TECHNOLOGIES	414	69	345	35	35					449	104	345

PROGRAMME AREA	2014/15			2015/16			2016/17			TOTAL		
	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)	TOTAL	Total LTP (IP1+IP2)	Other (DFT Majors and Non-LTP)
	Other											
LTP feasibility	66	66		67	67		67	67		200	200	
LTP Monitoring and Evaluation / analysis	100	100		100	100		100	100		300	300	
TOTAL OTHER	166	166		167	167		167	167		500	500	
TOTAL INTEGRATED TRANSPORT BLOCK	18,813	12,930	5,932	20,824	16,678	5,196	5,601	5,483	118	45,237	33,111	10,697
DfT Major Schemes												
Rail Growth	9,425		9,425	5,519		5,519	55		55	14,999		14,999
Leeds Station Southern Entrance	7,603		7,603	6,079		5,029				13,682	1,050	12,632
NGT	10,760		10,760	4,523		4,523	3,436		3,436	18,719		18,719
TOTAL MAJOR SCHEMES	27,788		27,788	16,121		15,071	3,491		3,491	47,400	1,050	46,350
INTEGRATED CAPITAL PROGRAMME GRAND TOTAL	46,601	12,930	33,671	36,945	16,678	20,267	9,092	5,483	3,609	92,637	34,161	57,047

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 In preparing this statement no account has been taken of the proposed West Yorkshire plus Transport Fund. This report assumes no borrowing takes place in 2015/16 to support the WY+TF. Work is currently on-going to establish the borrowing requirements of the fund over the next 3 years. A full report on the projected borrowing requirements of the Transport Fund will be prepared at the appropriate time for approval.

Treasury management activity – borrowing and investments

		£m
Total Loans outstanding at 1/4/2014		
Interest:	Fixed (incl LOBOs)	78.5
	Investments	-27.5
Activity expected during 2014/15:		
	Loan repayments	-1.0
	Net movement in temporary loans	0.0
	New borrowing	0.0
	New Investment	-15.0
Anticipated loans outstanding at 31/3/2015:		77.5
	Investments at 31/3/2015	-42.5
Activity expected during 2015/16		
	New borrowing	0.0
	Debt repayments	-1.0
Anticipated loans outstanding at 31/3/2016:		76.5

- 4 The current financial year has seen a continuation of the overall situation from 2013/14. Interest rates have remained low, with bank base rate remaining at 0.5% and 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 Authority. The agreed policy is to seek to minimise the rates at which the Authority borrows and to continue to refinance any longer term loans if rates appear advantageous.

- 6 No such opportunities have arisen so far in 2014/15. The Authority has a loan portfolio with extremely competitive rates and the economic climate has been such that there have been no suitable opportunities identified for refinancing.
- 7 The Authority is in a position where it is unlikely to be required to undertake more borrowing in future years for its normal activities as all of its funding is cash grant. Under the prudential regulations the Authority will need to start repaying debt within the next five years and the investment strategy is geared towards ensuring it is in a position to do so without incurring financial penalties for early repayment of loans. There is likely to be a requirement to undertake borrowing to support the WY+TF and further work with financial advisors is underway to establish the level and timing of this borrowing and to determine whether all borrowing across the Authority should be consolidated into one loan book.
- 8 The expected debt repayment for 2015/16 shown in the table above relates to the next instalment of the EIP loan. No further repayments are anticipated. The LOBO option that falls due in February is not expected to be called in by the banks and the next opportunity for this is later this year. This will be monitored and appropriate action taken if this occurs.
- 9 A decision was made over the course of the last financial year to invest £27.5m split into maximum tranches of £7.5m for terms ranging from 3 months to one year in order to maximise the returns available to the Authority on cash balances. The rates achieved ranged from 0.5-0.98% being significantly higher than the prevailing rate of 0.25% with the Authority's bankers Natwest. 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 Authority. Expansion of the amounts and terms of these investments was agreed by the Authority last year. This approach will continue during 2015/16 with an expectation that the Combined Authority will have cash balances to invest due to the advance payment of capital and other grant funding.
- 10 The general level of borrowing and investments is handled efficiently by Leeds City Council and has produced a situation where the 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 Authority 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 Authority's funds are managed in the most effective and secure way.
- 11 The Authority has strict rules on investment criteria which are set out in paragraphs 12 to 14 for consideration and re-approval. These are set so as to minimise the risk to the Authority's funds but does also mean that interest earned on deposits is lower than it could be. It is therefore in the Authority's interests 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 PWLB rates 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 interest rates start to rise.

Treasury Management Activity – Investments Criteria

- 12 In general it is intended there should be no long term investments by the 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 DCLG 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”.
- 13 It is proposed that the existing policy of utilising the expertise of the Treasury Management Team in Leeds City Council be reaffirmed for 2015/16.
- 14 It is also recommended that the following rules for short term investments/borrowing should continue to be applied:-
 - 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 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.
 - d. In principle there shall be no cross borrowing or investments with Leeds City Council (although this may be varied if late cash movements on the bank account occur creating a surplus/deficit cash position after the markets have closed for the day).
 - e) Investments with any one counterparty should not exceed £7.5m.

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 3 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 existing levels plus any additional SCE(R) or SCA issued by the government through the LTP settlement and the SEP (Local growth fund and devolved major scheme funding). Restricting borrowing in this way ensures that all debt charges are covered by the Combined Authority through its levy on the Districts.
- 17 The draft three year capital programme is considered earlier in this report and is set out in Appendices B and C. It should be noted that in accordance with the above, whilst there has been some deliberate over-programming to ensure expenditure achieves the LTP settlement, 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. The programme assumes there is to be no unsupported borrowing outside the LTP.
- 18 Since the levels of grant provided to the Authority under the LTP are below those required to fully implement the draft capital programme it is proposed to examine alternative methods of financing during the year to assist with the possible shortfall. 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 are underway with the European Investment Bank 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 their funding criteria and this would provide an attractive alternative to the traditional PWLB lending.
- 20 It is not proposed at this stage that the 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 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 2 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 2014/15 and 2015/16. 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 this 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 about £10m higher than the operational boundary to create flexibility to allow temporary additional borrowing (for example if it becomes prudent to borrow in advance of normal requirements because long term interest rates are low).
 - 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 is uplifted from 130% to 200%. This would better reflect the current position that arises from the increase in cash balances and investments resulting from an increase in advance grant funding.

West Yorkshire Combined Authority		Capital Financing Annex			
Summary Capital Programme					
		2014/15	2015/16	2016/17	2017/18
Expenditure per programme		£000	£000	£000	£000
Local Transport Plan		28,771	32,773	15,034	13,104
Highways Maintenance Plan		22,766	29,213	26,782	25,971
Major scheme Expenditure		16,628	4,706	-	60,000
Non LTP Funding (Excluding Majors)		22,363	23,977	4,153	20
		90,528	90,669	45,969	99,095
Less overprogramming		-3,318	-5,932	-1,003	-
		87,210	84,737	44,966	99,095
Financing					
LTP Grant		27,165	13,104	13,104	13,104
LTP Grant (C/Fwd IP1)		7,487	4,465	-	-
Highways Maintenance Plan		23,766	29,213	26,782	25,971
Major scheme Expenditure		16,628	4,706	-	60,000
Non LTP Funding (Excluding Majors)		22,363	23,977	4,153	20
Total Funding Available		97,409	75,465	44,039	99,095
LTP IT Block Re-profiling		-10,199	9,272	927	-
Funding Applied		87,210	84,737	44,966	99,095
Calculation of Prudential Indicators:					
		2014/15	2015/16	2016/17	2017/18
AFFORDABILITY		£000	£000	£000	£000
Ratio of financing costs to net revenue stream					
Debt Charges		6,983	6,703	6,518	6,365
Levy		96,198	96,198	96,198	96,198
(Assumes continuing levy freeze)					
Resultant ratio:		7.3%	7.0%	6.8%	6.6%
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.					
Loans outstanding at 1 April		78,500	77,500	76,500	75,500
Estimate of Capital Financing Requirement (CFR)		91,945	88,267	84,736	81,347
Additional borrowing requirement in year		0	0	0	0
Less debt repayments in year		-3,678	-3,531	-3,389	-3,254
Estimate of CFR 31 March		88,267	84,736	81,347	78,093
Calculated Operational Boundary		91,945	88,267	84,736	81,347
Safety factor		10,000	10,000	10,000	10,000
Forecast Authorised Limit		101,945	98,267	94,736	91,347
Maturity of Loan Structure	Minimum	Maximum	Projected 31/03/2015	Interest Rate Structure:	
Loans up to 1 year	0%	30%	1%	Variable rate loans - maximum 40% Fixed rate loans - maximum 200%	
Loans between 12 and 24 months	0%	20%	8%		
Loans between 24 mths and 5 yrs	0%	50%	21%	70%	
Loans between 5 and 10 years	0%	75%	0%		
Loans between 10 and 20 years			0%	70%	
Loans between 20 and 30 years			0%		
Loans between 30 and 40 years	25%	100%	35%	70%	
Loans between 40 and 50 years			35%		
Loans 50 years +			0%	70%	
			100%		

REPORT FRONT SHEET

AGENDA ITEM: 9

Combined Authority: 29 January 2015

Report Title: Single Transport Plan

Report Summary

The report informs WYCA of work to develop the Single transport Plan, seeks further input and agreement to commence consultation on the core principles set out in appendix A.

Possible Questions

1. Does WYCA agree with the core principles set out in Appendix A?
2. Do the principles reflect the priorities in the SEP?
3. Are the principles ambitious enough?
4. Are there further consultees that should be included in the Stakeholder Reference Group?

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

ITEM 9

Report to: West Yorkshire Combined Authority

Date: 29 January 2015

Subject: Single Transport Plan

1. Purpose

- 1.1. To inform the Combined Authority of work to develop the Single Transport Plan and to seek further strategic input to the development of the Single Transport Plan.
- 1.2. To consider the core principles of the Single Transport Plan for consultation with the public and stakeholders.

2. Information

- 2.1. At its meeting on 29 May 2014, the Combined Authority agreed that a Single Transport Plan for West Yorkshire should be developed to set out the ambition of the Combined Authority as well as reflecting related strategies and fulfilling the requirement to keep the Local Transport Plan under review. It was also agreed that the Single Transport Plan should support the implementation of the Strategic Economic Plan (SEP), the West Yorkshire plus Transport Fund (WY+TF), preparations for High Speed Rail (HS2, HS3) and work streams on bus strategy and rail devolution.
- 2.2. At that meeting, the Authority also adopted the SEP as the overarching Integrated Economic Plan of the Combined Authority. The Authority emphasised that the Single Transport Plan should incorporate:
 - Strong links with the SEP and economic growth;
 - Longer term vision with greater ambition;
 - Focus on national connectivity as well as regional and internal connectivity;
 - Focus on east-west connectivity across the north to maximise benefits from HS2;
 - Better integration between transport modes;
 - Consultation with stakeholders.

- 2.3. At its meeting on 26 June 2014 the Combined Authority provided further strategic input to the development of the plan, emphasising the need to consider all transport modes including bus, rail, freight, air, cycling and highways, and that preparation for High Speed Rail and improved east-west connectivity should include connectivity to other towns and cities as well as Leeds and Manchester.
- 2.4. The Authority delegated the oversight of technical work on developing the Single Transport Plan to the Transport Committee. Work to develop the Plan to date has been undertaken through three workshops held with the Transport Committee and Portfolio Holders.
- 2.5. The Transport Committee has identified an emerging set of themes that are proposed to provide the core principles of the Plan. The core principles are also informed by inputs from complementary work to develop the HS2 Connectivity Strategy for maximising the benefits of HS2, and to develop the Transport for the North proposition for investment in rail and road solutions across the North.
- 2.6. A working draft of the 5 core principles is attached at **Appendix A:**
1. **One system, HS2/HS3 ready** - a core ambition being a ‘metro-style’ public transport network that integrates all modes, into one-system that is easily understood, easy to access by a range of options and offers quick, convenient connections within the city region. The public transport network would reduce pressure on roads and facilitate the efficient movement of freight than cannot be transported by rail, canal or pipeline;
 2. **Place making** –interventions to make our cities, towns and neighbourhoods more attractive places to invest, live and work - delivering improvements to air quality and health through Low Emission Vehicles for the movement of people and goods and encouraging people to switch to cycling and walking for shorter journeys;
 3. **Smart futures** –using technology for enhanced customer relationships and retail opportunities and for efficient management of the transport network(s), as well providing open data as part of a wider city region initiative;
 4. **Effective use of resources** –pooling resources between services and sectors to address financial constraints and deliver shared objectives - particularly in respect of rural communities with a lower level of public transport provision , and for young people to access education, employment and training;
 5. **Effective asset management** – to adequately maintain all of our transport system: roads, bridges, street lights, public transport stations and shelters, footways and cycle routes, to gain maximum value for money and meet the needs of users and Plan objectives.
- 2.7. It is proposed to develop the plan further on the basis of the core principles. Further development of the plan will elaborate on and explain the means of achieving the core principles. The plan will highlight the spatial priorities identified in the SEP, with job creation and housing delivery to feature prominently.

- 2.8. Consultation on the Single Transport Plan is proposed for February – May 2015 and is to be less formal and more tailored than previous LTP consultation exercises. It is proposed to:
- Follow a phased approach to consultation starting with the core principles (based on the working draft in Appendix A) followed by subsequent phases to address the emerging detail of the Plan including funding and delivery;
 - Utilise social media and other interactive engagement;
 - Establish a Stakeholder Reference Group including representatives from local authorities within West Yorkshire and the wider City Region, Local Enterprise Partnership, Highways England, Network Rail, Chambers of Commerce and other business groups, Passenger and Freight service operators, cycling groups and Leeds University Institute of Transport Studies. The District Consultation Sub Committees will also provide input.
- 2.9. Proposed consultation questions are set out in **Appendix B**.
- 2.10. Further reports will be brought to the Combined Authority to seek sign off of the Plan before is finalised and published in summer 2015.

3. Financial Implications

- 3.1. The development of the Single Transport Plan is being undertaken within existing budgets.
- 3.2. The plan sets out high level aspirations for the future shape of the transport system in West Yorkshire. Significant funding will be required for the delivery of schemes required to meet the aspirations set out in the plan.

4. Legal Implications

- 4.1. There is a statutory duty for Local Transport Authorities to prepare and keep under review a Local Transport Plan. The development of the Single Transport Plan would fulfil this duty for a Local Transport Plan for West Yorkshire.

5. Staffing Implications

- 5.1. The development of the Single Transport Plan is being undertaken within existing staff resources.

6. Consultees

- 6.1. Transport Committee have led the development of the draft plan to-date.
- 6.2. The Transport Committee at their meeting on 16 January 2015 endorsed the core principles of the Plan as the basis for consultation, but asked for the following amendments, which are reflected in the draft attached as **Appendix A**:

- Identify the key role of Leeds Bradford Airport as an international gateway hub;
 - Give prominence to freight and increasing rail freight;
 - Reference the forthcoming Tour De Yorkshire race as an example of our commitment to cycling;
 - Highlight the challenge of NEETS in all geographies, not just rural areas;
 - Emphasise the placemaking role of streets for people.
- 6.3. Whilst not a consultee to date, Bradford and Airedale Health and Wellbeing Board have requested that the West Yorkshire Combined Authority (WYCA) note the findings of a Low Emission Zone feasibility study and the improvements which can be achieved by “cleaning up the buses”. It has been requested that this be considered as part of the negotiations about the bus quality contract or partnership. This aspiration forms part of work on bus strategy and is also reflected in the draft attached as **Appendix A**.
- 6.4. The production of consultation material will be overseen by communications teams to ensure legibility and tailoring of the language to the target audience.
- 6.5. The Acting Director of Transport, and Chief Officers of the West Yorkshire District Councils, have provided input to the draft attached as **Appendix A**.

7. Recommendations

- 7.1. That the Combined Authority provides further strategic input to the development of the Single Transport Plan.
- 7.2. That the Combined Authority agrees to develop the Single Transport Plan on the basis of the core principles and to commence consultations with the public and stakeholders.

8. Background Documents

- DfT Full Guidance on Local Transport Plans 2010;
- West Yorkshire Local Transport Plan 2011 – 2026;
- City of York Council Local Transport Plan 2011 – 2031;
- High Speed Rail – Investing in Britain’s Future 2013;
- Leeds City Region Enterprise Partnership Strategic Economic Plan 2014
- Rebalancing Britain: From HS2 towards a national transport strategy (Higgins) 2014.

Single Transport Plan 2015-2035 - Core Principles

Working Draft

1. The Single Transport Plan

Transport plays a crucial role in supporting sustainable economic growth and the creation of a fair, equitable society where everyone has opportunity, through better access to jobs, training, healthcare and education in a cleaner, healthier environment.

The Single Transport Plan collects a range of strategies, programmes and projects in one place and provides the Combined Authority's long term vision for transport to support sustainable economic growth.

Our ambition is to achieve a step change in the transport system in West Yorkshire and York. By investing in radically improved transport infrastructure and services, we can deliver the connectivity that businesses and people require and create attractive places in which to invest, work and live. We are already delivering some major transport improvements and we have recently been successful in securing significant government funding that will enable us to address existing transport constraints on the economy that are a legacy of previous under-investment. Addressing a legacy of under-investment is only a start, we also need to look forward to ensure that all of the city region is in the best possible position to fully realise the benefits of High Speed 2 and High Speed 3, ensuring the whole area benefits from the step change in journey times and capacity. The Single Transport Plan is the Local Transport Plan for West Yorkshire and complements the Local Transport Plan for York.

2. Delivering the Strategic Economic Plan

The Single Transport Plan supports the delivery of the Leeds City Region Strategic Economic Plan (SEP). The SEP sets out our strategy for jobs and growth, with the aim of unlocking the Leeds City Region's economic potential to become the growth engine for the North. The SEP outlines a shared ambition to deliver by 2021; £5.2bn of additional economic output and 62,000 extra jobs. The SEP sets out investment priorities across four strategic priority pillars which address the main economic challenges and opportunities in the City Region:

1. Supporting growing businesses;
2. Developing a skilled and flexible workforce;
3. Building a resource smart City Region;
4. Delivering the infrastructure for growth.

Priority 4 highlights the importance of improving transport connectivity. The SEP recognises that substantial investment is required in improving physical connectivity at the local, regional, national and international level to better connect people, businesses, markets and jobs and thereby improve productivity and economic performance.

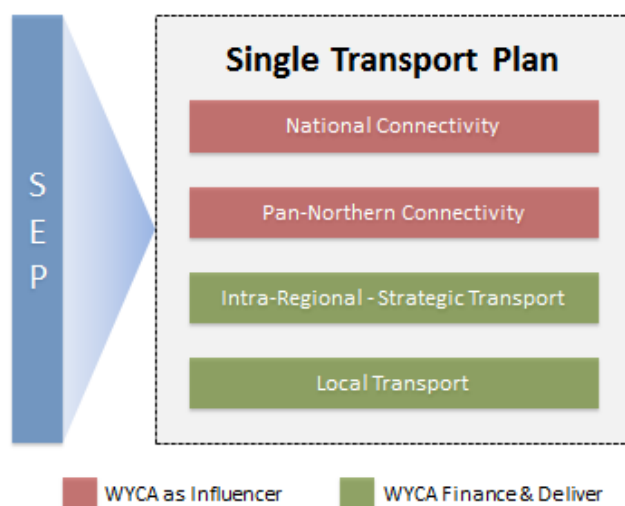
3. Role of the Combined Authority

The Combined Authority is the Local Transport Authority for West Yorkshire and combines the Strategic Transport and Economic Development roles across West Yorkshire and York. WYCA will lead on the delivery of the Single Transport Plan, but in order to realise our ambition for transport, we will need to work with a wide range of delivery partners, including:

- National bodies such as central government, Network Rail and Highways England;
- Local authorities within West Yorkshire/York and the wider Leeds City Region;
- Passenger and freight service operators;

- Business community;
- Community and interest groups.

The Combined Authority will play different roles in delivering transport connectivity improvements, being an ‘influencer’ on some levels, and a ‘financer and deliverer’ at others as illustrated below.



3. Key principles of the Single Transport Plan

The Single Transport Plan will be built around 5 core principles:

A. ONE SYSTEM, HS2/HS3 READY

We need early investment in connectivity before HS2 and HS3 arrive, so that our local network is ‘High Speed ready’. A core ambition is for a comprehensive public transport ‘metro-style’ network, integrated with High Speed Rail, made up of an expanded NGT trolley-bus network, light rail and rail services and local bus services into one-system that is easily understood by users, is easy to access by a range of options and offers quick and convenient connections.

We propose a hub and spoke network. Transport hubs, with a range of transport services and facilities provide the opportunity to access, transfer and leave the public transport network. The definition of hubs was developed in the West Yorkshire Local Transport Plan (LTP3). District transport hubs are identified as Bradford, Brighouse, Castleford, Dewsbury, Halifax, Huddersfield, Keighley, Leeds, Pontefract, Shipley and Wakefield. York is also a main hub. The growth plans of the City Region may lead to additional centres being designated as District Hubs. Leeds, Leeds Bradford Airport and York provide the key City Region gateway hubs for connections to access national and international destinations. Outside the City Region key northern destinations are identified as Newcastle, Hull, Sheffield, Manchester, Manchester Airport and Liverpool. HS2 will provide the enhanced connectivity to London and other core cities across England.

We need to improve local routes to the District transport hubs, and must invest in the range of travel options and services at these hubs to enable access to the network. We will require substantial investment in the infrastructure that links hubs. Crucially, we will require a greater role for the Combined Authority in co-ordinating and integrating rail and bus services, with management of the highway network to deliver our ambitions for improved journey times and better connectivity.

Our vision for connectivity is based on four tiers:

- **Local connectivity - Home to District Hub within 20 minutes:** Journeys will be possible by a range of modes including bus, cycling, walking and private car. These interventions that deliver this part of the vision are likely to be funded through the Growth Deal/West Yorkshire plus Transport Fund (WY+TF) or Local Transport Plan (LTP) funding streams;
- **Intra-City region connectivity – Hub to HS2/3 Station within 30 minutes:** This part of the vision joins up the City Region to ensure that it can act as a single economic entity – this should be a journey of no more than 30 minutes from any District Hub to either of the planned HS2 stations in Leeds or York. This connectivity will be achieved by existing and/or future heavy rail services as well as new rail-based technologies, express bus services and the private car;
- **Pan Northern connectivity:** The third level concentrates on pan-Northern HS3 connectivity and is aligned with the Transport for the North proposition. This should put any District Hub no more than 60 minutes from Manchester, 60 minutes from Sheffield or 90 minutes from Newcastle;
- **National connectivity:** Significantly improved connections between the City Region and other core cities across England. The HS2 proposals will be the main delivery mechanism, reinforced by enhancements to the East Coast Mainline and other long distance franchises. There should be a maximum journey time of no more than 2 hours between any District Hub to/from London inclusive of interchange time, with the quality and ease of connection at the northern end of the journey being equivalent to that experienced in London.

This initiatives to secure economic benefits from business and people being able to connect more quickly and efficiently will be complemented by initiatives to enable the efficient movement of freight and effective management of the strategic highway network.

The key means to deliver this core principle are:

Enhanced Rail connectivity

Rail is the means of travel that is growing the strongest in West Yorkshire/York and will have to play a much greater role in future years. The rail network will make best use of the capacity released by HS2 and we will look to provide additional enhancements. Network Rail is progressing our Yorkshire Rail Network Study to identify infrastructure solutions to unlock up to £12bn of economic benefits by dramatically improving capacity, frequencies and journey times on all city region links. Locally, consideration will be given to new stations on the existing network, how gaps in classic rail services can be addressed and the potential role of technologies, such as light rail vehicles, to extend the current network, such as the provision of a fixed link to Leeds Bradford Airport, or to replace conventional heavy rail services.

A Leeds City Region Hub

Leeds Rail Station must match the City Region's vision and its transport needs – with a world class gateway. The existing station is close to capacity and will soon require remodelling. The Higgins report ('Rebalancing Britain', 2014) has prompted a rethink of the initial proposal for a separate Leeds HS2 station on the south bank. We are working closely with HS2 Ltd, the DfT, Network Rail and Leeds City Council to undertake a fundamental review of the best solution for the city considering growth in existing rail services, the introduction of HS2, potential new East-West services and Leeds City Council's ambitions for regeneration around the station site. Our preferred option is for a single integrated Leeds station hub, but all options will need to be considered. Complementary measures will be progressed to improve local rail stations to better coordinate and increase options for travel.

New framework for quality, value for money local bus services

Improving bus services is vitally important. Local bus services will continue to move the greatest numbers of people. There is a significant relationship between accessibility by bus and employment. The bus is also a vital artery for shopping and leisure trips. Our one-system ambition requires that we transform the customer experience achieving consistently high standards of provision across West Yorkshire. Our ambition is for fully integrated ticketing and

co-ordinated service patterns that connect places and other modes to provide convenience and certainty to users. We also want to take further action to 'green' our bus fleet, so that public transport plays a full part in reducing carbon and harmful exhaust emissions. Our preferred approach to improving local bus services is a Bus Quality Contract scheme if bus companies remain unable or unwilling to support this ambition. The WY+Transport Fund will help deliver high quality bus corridors that deliver the necessary journey time competitiveness and reduce operating costs as part of measures to ensure financial sustainability.

Enhanced strategic road network

The road network will continue to provide essential connectivity throughout West Yorkshire and the Leeds City Region, but there are areas where the strategic road network has weaknesses and congestion adversely affects access to employment, the movement of freight and business travel. Our ambition is for a more efficient, better managed strategic road network that is better able to absorb demand and react quickly to disruptions. We wish to see greater investment in the management and use of orbital routes to remove unnecessary traffic from our town and city centres. We are working with our West Yorkshire Highway Authorities and the Highway Agency (Highways England) to develop a collaborative approach to the management of a West Yorkshire Strategic Road Network (WYSRN).

B. PLACE SHAPING

Place making is a people-centred approach to the planning, design and management of public spaces. We want to create cleaner, healthier places that are more attractive to invest, work, visit and live in. Our ambition applies to our town and city centres and as well as suburbs and neighbourhoods. We want our roads to be safer for all road users, but particularly for our places and local streets to develop as a public space for walking, cycling, playing and interacting with other people.

Our investment in transport should complement investment to improve the public realm to regenerate our economy and to improve people's quality of life and sense of community.

The key means to deliver this core principle are:

Cleaner places, liveable cities and towns

Poor outdoor air quality contributes to poor perceptions of a place and to serious health problems. There is evidence linking air pollution with premature deaths caused by heart and lung disease, the worsening of asthma symptoms and to a range of cancers. Exhaust emissions from traffic on our roads are largely responsible for the poor air quality. Monitoring of air quality by the West Yorkshire Local Authorities has shown that traffic emissions remain high in some locations. Our ambition is for the impact of vehicle emissions on its residents and visitors to be negligible. We are developing a Low Emission Strategy as part of the Single Transport Plan and will build our Air Quality monitoring and modelling capability to target interventions and will promote ultra-low emission cars, taxis and buses in addition to encouraging mode change to less polluting means of travel. There is also a need to invest in orbital road capacity as part of a strategy to reduce the impact of traffic in key centres

Efficient and sustainable movement of goods

We want to get freight working better. Moving goods around our region and servicing businesses in our towns and cities is a vital part of our economy but heavy goods vehicles are a key contributor of emissions and source of other environmental impacts (such as noise, community severance). The industry recognises that it has a responsibility to reduce its contribution to vehicle emissions, congestion and accidents. We intend to collaborate with businesses and freight operators to implement solutions that support the efficient and sustainable movement of goods. For longer distance shipments we would like to see more freight carried by rail. We will also investigate opportunities for an increased freight role on our waterways. Locally we will look to support supply chain relationships and to create opportunities for more environmentally friendly last mile delivery.

More people cycling and walking, more often

Hosting the successful Tour de France Grand Depart in 2014 fundamentally changed perceptions of cycling in West Yorkshire. We have high ambitions to build on the legacy of the Grand Depart to achieve significant numbers of people cycling– to work, to school, to the shops and for leisure. The new annual Tour de Yorkshire cycle race shows our commitment to build the profile of cycling, but creating more and safer places to cycle and walk will be of fundamental importance, and will require investment over a sustained period. We want to increase the distance and quality of cycle routes and we recognise the need to significantly increase the expenditure on cycling per head of population to deliver this. We have made a start with the exemplar CityConnect Cycle Superhighway scheme connecting Leeds and Bradford and the complementary activities to engage communities to promote cycling. Our approach will be developed further through a Cycle Delivery Plan partnership with government to deliver significant change and access further funding.

C. SMART FUTURES – EXPLOITING TECHNOLOGY

The technology can facilitate mobility, encouraging and supporting a range of mode choices. We want to support a better connected and mobile population through the exploitation of information technologies – developing a our role as a mobility provider, with improvements in the information and payment services that we provide customers and to how we engage with, and learn from transport users to respond more proactively to travel habits and needs. This means that car ownership will come to be seen as less of a necessity, with the option to use bus, train, car club, cycle hire and taxi as part of a flexible mobility offer. We will work with the world leading Institute of Transport Studies (Leeds University) in developing this approach.

Technological developments also offer huge potential for the use of real time data in managing our transport system and for the use of a wide range of data sources in modelling the impacts of future investments. We also envisage a greater role for telemetry solutions to help prioritise road space and to make timely intervention to mitigate disruptions to public transport and highway networks. We will also support city region initiatives regarding open data.

D. Effective use of resources to better connect rural areas, provide opportunities for young people

Successive government spending reviews have seen budgets severely squeezed. This has impacted on the ability of the Combined Authority to financially support socially necessary bus services. Rural communities and those at the periphery of the bus networks are particularly affected. We want to develop a new model for transport planning and service provision at a community level to enhance local accessibility. Our aim is to work more effectively with other agencies and across sectors to pool resources and expertise as part of a ‘total transport’ approach to be able to optimise the use of available resources in delivering accessibility for all.

We will also have a particular focus on disadvantaged communities and young people currently not in education, employment, or training (NEETs) that would benefit from initiatives, such as reduced travel costs, to improve access to opportunities.

E. EFFECTIVE ASSET MANAGEMENT - LOOKING AFTER OUR TRANSPORT SYSTEM

West Yorkshire/York has an extensive transport asset base including roads, bridges, street lights, public transport stations and shelters, footways and cycle-ways. We need to ensure that we adequately maintain existing infrastructure and ensure it meets strategic and user requirements.

Poor road conditions, such as potholes, continue to be a major source of concern. A more effective approach to Asset Management is being developed by the District Highway Authorities through the government’s Highway Maintenance Efficiency Programme with

improvements expected to be accelerated by access to the government's Local Highways Maintenance Challenge Fund.

5. Key Funding blocks of the Plan

The Single Transport Plan will collect multiple projects, programmes and funding streams as the essential building blocks to deliver our vision for transport. Key funding blocks of the Plan are identified below:

SEP, Local Growth Deal and West Yorkshire plus Transport Fund (WY+TF)

In July 2014, the Leeds City Region partners agreed a Local Growth Deal with government. It was the best and most flexible of the Phase 1 Growth Deals agreed with the UK City Regions. The Leeds City Region Growth Deal is intended to deliver the SEP and provides us with government investment and new freedoms and flexibilities to direct that investment where it will benefit our economy most. The Growth Deal includes £1bn between 2015– 2035 to deliver the West Yorkshire plus Transport Fund (WY+TF).

WY+TF will tackle many of the current transport constraints on growth. The WY+TF is a balanced portfolio of 32 prioritised schemes that will deliver strategic transport improvements including bus and rail infrastructure enhancements, highways junction improvements and new access roads to enable development sites. The WY+TF is forecast to deliver at least an additional 18,500 new jobs, 10,500 new homes and £2.4 billion of GVA per annum. The cumulative effects of the schemes will result in a reduction of 18,500 car commuting trips per day and contribute to reducing carbon emissions. The WY+TF portfolio is supplemented by on-going DfT legacy schemes: New Generation Transport (NGT) Trolley Bus, Rail Growth Package, Leeds Inner Ring Road and Leeds Station Southern Entrance.

The current Local Growth Deal and Transport Fund allow us to address a legacy of under-investment in enhancing key links, upgrading gateways and enabling key development sites. Additional resources will be required to realise the longer term ambition set out in the Single Transport Plan.

HS2/HS3

High Speed Two (HS2) is the government's key strategic investment in the national transport network over the medium to long term. HS2 will transform the UK's rail infrastructure, increasing capacity and connectivity. Reducing North-South journey times between our main cities is central to government proposals to rebalance the UK economy. Major improvements in East-West connectivity (HS3) are also fundamental to creating a 'Northern Powerhouse' economy to rival and complement London and the South East. We are determined to take advantage of the transformative economic opportunities of High Speed Rail and to maximise and spread the benefits within West Yorkshire and the Leeds City Region.

Transport for the North

Transport for the North is a coalition of city region authorities in the North of England, including the West Yorkshire Combined Authority that is working with the government to develop a comprehensive transport strategy for the North by March 2015. The proposition is for a £15 billion, 15-year investment plan to integrate HS2 with the existing strategic rail network in the North and to deliver capacity improvements to the strategic road network across the Pennines. This work will produce costings and a delivery timetable for the rail and road solutions, including an East-West rail connection.

Local Transport Plan (LTP)

The Combined Authority has a statutory duty to develop and maintain a Local Transport Plan that sets out the strategies to deliver transport improvements at the local level, utilising the government's Highway Maintenance and Integrated Transport Block funding. The Single Transport Plan updates the West Yorkshire Local Transport Plan (LTP3, 2011- 2026) that was adopted in 2011. LTP funding will help us continue to maintain our roads, bridges and street lighting and to make improvements to local transport networks and facilities such as bus

routes, stations and hubs and local cycling and walking facilities, and to improve road safety for all users.

Local Sustainable Transport Fund (LSTF)

Local Sustainable Transport Fund is government grant funding, which includes substantial revenue support, with the intention to take forward sustainable travel proposals that help to reduce carbon emissions whilst aligning with the Local Growth Fund commitments of delivering economic growth. The Combined Authority and the District Councils have benefitted from LSTF funding. Our local LSTF programmes have a strong focus on both improving access to employment and training and on improving health outcomes. LSTF funding is currently being used to promote cycling by delivering training and grants to communities, to work with Public Health partners within disadvantaged areas in order to deliver a pathway to physical activity for the most inactive, to support job seekers and NEETs back into employment, and to invest in technology to deliver new public transport ticketing offers and methods of payment.

Local Highways Maintenance Challenge Fund

The government's Local Highways Maintenance Challenge Fund was announced in the 2014 Autumn Statement. The Fund reflects the government's commitment to ensure that we have well maintained local highway infrastructure fit for the 21st Century. The Fund will enable Combined Authorities and local highway authorities in England to bid for major maintenance projects that are otherwise difficult to fund through the normal needs element allocations they receive.

Appendix B Proposed Consultation Questions

- Do you agree with a 20 year timeframe for the Plan?
- Do you agree with the 5 core principles? – is anything missing?
 1. One system, HS2/HS3 ready
 2. Place making
 3. Smart futures
 4. Effective use of resources
 5. Effective asset management
- Do you agree with the means of achieving the core principles? - Is anything missing?
- Do you agree with the hub and spoke network proposals?
- Does our vision for connectivity provide an appropriate level of ambition for journey times, and quality and frequency of services?

REPORT FRONT SHEET

AGENDA ITEM: 10

Combined Authority: 26 January 2015

Report Title: Leeds City Region Governance Arrangements

Report Summary

The report sets out a proposal to appoint an advisory committee to the Combined Authority, to include co-opted members from non-WYCA authority Leaders. This proposal is further to an endorsement by the Leeds City Regions Leaders' Board to endorse a proposal to dissolve the current LCR Leaders' Board Joint Committee. The new committee will be called the LCR Partnership Committee and will cement the role of the CA at the heart of the city region with a clear role to ensure delivery for the LEP.

The report sets out the stages required and deals with the new governance arrangements to be put in place across the districts and within the CA itself.

It should be noted that some assets held by Leeds City Council as accountable body for the LEP and the LCR Joint Committee will require to transfer to the CA from 1 April, and that delegations to finance and other senior officers are required to deal with this and are set out in the report.

In particular, it is proposed that, for the purpose of streamlining the new arrangements, the Head of Economic Strategy and LEP Director have delegated authority to implement recommendations of the new committee.

Possible Questions

- 1. Are the terms of reference proposed for the Partnership Committee appropriate?**
- 2. Are the delegations to the Head of Economic Strategy and CFOs appropriate?**
- 3. Are the new arrangements consistent with the requirements in the LEP assurance framework?**

Note: The above questions may arise during the debate, but do not preclude other items for discussion and debate.

Originator: Nick Winney
Secretary and Solicitor



ITEM 10

Report to: West Yorkshire Combined Authority

Date: 29 January 2015

Subject: Leeds City Region Governance Arrangements

1. Purpose

1.1 To advise the WYCA about proposals to dissolve the Leeds City Region Leaders' Board, to appoint a new Leeds City Region (LCR) Partnership Committee and delegate authority to the Head of Economic Strategy and the Secretary and Solicitor in relation to related matters.

2. Information

- 2.1 At its meeting on 12 December 2014, the Leeds City Region (LCR) Leaders' Board considered a report setting out options for developing the LCR governance arrangements. The report noted the need to stream-line LCR decision making, and consolidate the position of the WYCA as the key local authority facilitator of economic development and regeneration for the LCR.
- 2.2 The LCR Leaders' Board endorsed a proposal to dissolve the LCR Leaders' Board on 31 March 2015. (This is subject to the resolution of those authorities represented on the LCR Leaders' Board). The LCR Leaders' Board also endorsed a related proposal for the WYCA to appoint a LCR Partnership Committee to advise the WYCA in relation to LCR activities from 1 April 2015.
- 2.3 Not every LCR authority is directly represented on the LCR Enterprise Partnership Board. The LCR Partnership Committee would provide a forum for bringing together representatives from all LCR authorities, and facilitate direct collective engagement with the WYCA, the key local authority arrangement supporting the LCR Enterprise Partnership, as its accountable body.
- 2.4 Recommendations made by the LCR Partnership Committee may be referred to the WYCA, or implemented under officer delegated authority (see further below). Where necessary, decisions may also be ratified by relevant authorities.

Functions

- 2.5 The proposed **terms of reference** for the new committee are set out in **Appendix A** attached. These provide for the committee to act as a consultative forum on any matter referred to it by the WYCA. This could include matters raised with the WYCA, (through the Chair), by LCR authorities not represented on the WYCA, as well as any raised by the LCR Enterprise Partnership Board.
- 2.6 In relation to the LCR Partnership Committee's proposed function of advising the WYCA on its role as **accountable body**, the HM Government's LEP Assurance Framework (published in December 2014) provides some guidance about the responsibilities of an accountable body for a LEP. These include:
- ensuring decisions and activities of the LEP conform with legal requirements;
 - ensuring that funds are used appropriately; and
 - endorsing the LEP's local assurance framework.

Committee arrangements

- 2.7 In terms of **membership** of the LCR Partnership Committee, it is proposed that the following WYCA Members would be appointed, (together with the co-optees set out in para 2.8 below):
- 5 WYCA Members (one from each constituent (West Yorkshire) council);
 - the WYCA Member appointed by the non-constituent council (York).
- 2.8 The LEP Assurance Framework suggests that each LEP area should seek to develop arrangements which enable "collective engagement of local authority leaders in decision-making.." It is therefore proposed that the 5 Leaders of the LCR authorities not represented on the WYCA are directly co-opted onto the Committee by the WYCA, without requiring nominations from those authorities. (The WYCA would amend the co-opted membership of the committee to reflect changes in Leadership should these arise).
- 2.9 It is proposed that for parity each member of the committee would **vote**. The WYCA standing orders provide for each member to have one vote and questions to be decided by a majority of those present and voting.
- 2.10 As an advisory committee, the committee may appoint one or more **sub-committees** to advise the committee with respect to any matter. Alternatively, or in addition, it may appoint **working-groups** ("Panels" or "Boards") to advise it informally. Any such working-group would report directly to the committee.
- 2.11 Panels currently appointed by the LCR Leaders' Board will be subject to review with other Boards and Panels supporting the LCR Enterprise Partnership, as to how these may fit into the LCR governance arrangements in the future.

- 2.12 It is proposed that the proposed **quorum** for the new Committee is 6 (consistent with that of the LCR Leaders' Board).
- 2.13 The WYCA Order provides for WYCA Members to have **substitutes** who may act in their place, including on WYCA committees. It is proposed that that WYCA also appoint a substitute member for each of the 5 co-opted members. The Monitoring Officer of each of the co-optees' authorities will be required to notify the Secretary and Solicitor of the name of the relevant substitute.

Transfer of Leaders' Board assets/accountable body responsibilities

- 2.14 Leeds City Council, as support services authority to the LCR Leaders' Board, is currently the accountable body for LCR funding, both in terms of grant agreements received from central government, and delivery, grant or loan agreements entered into behalf of LCR authorities with third parties. Some of these agreements will run beyond 31 March 2015.
- 2.15 Further to the LCR Leaders' Board being dissolved, and given that the WYCA will be taking over the role as accountable body for LCR funding, it is proposed that (subject to the agreement of any necessary parties, and due diligence enquiries), most of these agreements (and the assets to which they relate, such as loans) should be novated or assigned to WYCA so that Leeds City Council's responsibilities are transferred to the WYCA. Any other outstanding assets held by the LCR Leaders' Board at 31 March 2015 will need to be allocated between Leeds City Council (to support LCR commitments for which it retains responsibility) and the WYCA in respect of LCR activities.
- 2.16 It is proposed that the Head of Economic Strategy, in consultation with the S73 Chief Financial Officer, (and further to discussion with the S151 Chief Finance Officer of Leeds City Council) be authorised to agree which contracts and other assets should transfer and which should remain with Leeds City Council, and that the Secretary and Solicitor of the WYCA be authorised to take such steps as may be required to effect any such transfer, novation or assignment.
- 2.17 Some of the matters in respect of which the WYCA will become the accountable body have to date been considered by the Leaders' Board. For completeness, as part of the transfer of responsibilities, the WYCA is therefore also asked to endorse any decision of the Leaders' Board (or officers exercising delegated authority from the Leaders' Board) relating to any matter in respect of which the WYCA will be the accountable body.

3. Financial Implications

- 3.1 The cost of administering the new committee of the WYCA can be met from existing budget allocation. There are no proposals to provide allowances for any member (or

co-optee) of the new Committee. (No WYCA Member can lawfully receive an allowance in any event).

- 3.2 The agreement establishing the LCR Leaders' Board sets out the basis for calculating contributions from each LCR authority towards resourcing LCR economic development and regeneration costs. On the dissolution of the LCR Leaders' Board, contributions will be made directly to the WYCA, to support its economic development and regeneration activity. The 2015/6 contributions have been agreed; further information is available in item 7 on this agenda.

4. Legal Implications

- 4.1 As an advisory committee to the WYCA appointed under S102(4) of the Local Government Act 1972, the usual **access to information** provisions will apply to meetings of the committee. The WYCA's standing orders will apply to its meetings, subject to any necessary amendments, for example in relation to quorum. The Secretary and Solicitor has delegated authority to make amendments which are required as a result of decisions of the WYCA.
- 4.2 As voting members of the committee, co-optees will be subject to the WYCA's **Code of Conduct**.
- 4.3 **Political balance** requirements apply when appointing members of the Authority to an advisory committee of the Authority. However, they do not apply to appointments by the WYCA in so far as different provision is made by arrangements approved in accordance with S17 Local Government and Housing Act 1989.
- 4.4 To promote efficiency, it is recommended that the Head of Economic Strategy's existing **delegated authority** is amended to enable him to approve and implement any recommendation of the LCR Partnership Committee. A draft of the proposed amendment is attached as **Appendix B** to this report.
- 4.5 For technical reasons, if the LCR Leaders' Board is dissolved, the **Business Rates sub-committee** of the LCR Leaders' Board will be re-appointed as a joint committee by the authorities in the business rates pool, including Leeds City Council. The WYCA is not part of the pool, as it does not collect business rates. The partnership agreement relating to the LCR **Revolving Investment Fund** will also need to be amended, since it currently requires the LCR Leaders' Board to authorise applications to proceed to the detailed due diligence stage.

5. Staffing Implications

- 5.1 The WYCA's Head of Paid Service, Director of Resources and the Secretary and Solicitor will provide support and advice to the LCR Partnership Committee, as statutory officers of the WYCA.

6. Consultees

6.1 The proposal to appoint a LCR Partnership Board was endorsed by the LCR Leaders' Board at its meeting on 12 December 2014.

7. Recommendations

7.1 That a LCR Partnership Committee be established from 1 April 2015, with the terms of reference set out in the attached **Appendix A**, and with a quorum of 6.

7.2 That in accordance with S17 Local Government and Housing Act 1989 the following members of the WYCA be appointed as voting members of the LCR Partnership Committee:

- Cllr D Green
- Cllr T Swift
- Cllr D Sheard
- Cllr K Wakefield
- Cllr P Box
- Cllr D Williams

7.3 That the following be co-opted as voting members of the LCR Partnership Committee:

- The Leader of Barnsley MDC
- The Leader of Craven DC
- The Leader of Harrogate BC
- The Leader of North Yorkshire CC
- The Leader of Selby DC

7.4 That a substitute member be appointed for each of the 5 co-opted members, each substitute being that person notified to the Secretary and Solicitor of the WYCA from time to time, by the Monitoring Officer of the authority of which the co-optee is an Elected Member.

7.5 That Councillor Box be appointed as Chair of the LCR Partnership Committee.

7.6 That any decision of the Leaders' Board (or officers exercising delegated authority from the Leaders' Board) relating to any matter in respect of which the WYCA will be the accountable body, be endorsed.

7.7 That

- the Head of Economic Strategy, in consultation with the S73 Chief Financial Officer, (and further to discussion with the S151 Chief Finance Officer of Leeds City Council), be authorised to agree which contracts and other assets should transfer to the WYCA and which should remain with Leeds City Council, and

- the Secretary and Solicitor of the WYCA be authorised to take such steps as may be required to effect any such transfer, novation or assignment.

7.8 That the delegated authority of the Head of Economic Strategy be amended as set out in **Appendix B** to this report.

8. Background Documents

8.1. None

Terms of Reference

Leeds City Region Partnership Committee

The Leeds City Region Partnership Committee is authorised to

- 1) act as a consultative forum in relation to any matter referred to it by the Authority¹; and
- 2) advise the Authority in relation to:
 - any function of the Authority relating to its role as accountable body for funding received for the Leeds City Region²;
 - the Authority's duty to co-operate in relation to the planning of sustainable development; and
 - appointments to the Leeds City Region Enterprise Partnership (the LCR LEP)³.

¹This may include a matter raised (through the Chair of this committee) by any LCR authority or the LCR LEP Board.

² The Leeds City Region consists of the areas of those local authorities in the LCR LEP.

³ Including any of the LCR LEP's supporting Boards and Panels.

Head of Economic Strategy

The Head of Economic Strategy is authorised to carry out any function of the Authority in relation to economic development and regeneration with the exception of:-

- any matter reserved to the Authority¹ (*unless the matter has been the subject of a recommendation by the Leeds City Region Partnership Committee and the Head of Economic Strategy proposes to exercise his authority to give effect to that recommendation*);
- any matter within the terms of reference of the Transport Committee;
- any matter within the delegated authority of the Executive Director of Transport; or
- any matter which the Head of Paid Services has directed the Head of Economic Strategy to refer to the Authority for determination.

¹ These functions are set out in Appendix A to the Officer Delegation Scheme

ITEM 13a

MINUTES OF THE MEETING OF THE OVERVIEW & SCRUTINY COMMITTEE HELD ON TUESDAY 25 NOVEMBER 2014 IN WELLINGTON HOUSE, LEEDS

Present:	Cllr Stephen Baines MBE (Chair)	-	Calderdale MBC
	Cllr Ferman Ali	-	Calderdale MBC
	Cllr Keith Aspden	-	City of York Council
	Cllr James Baker	-	Calderdale MBC
	Cllr Barbara Boyce	-	City of York Council
	Cllr Andrew Cooper	-	Kirklees MC
	Cllr Pauleen Grahame	-	Leeds City Council
	Cllr Julie Gunnell	-	City of York Council
	Cllr Peter Harrand	-	Leeds City Council
	Cllr Hassan Khan	-	City of Bradford MC
	Cllr Albert Manifold	-	Wakefield MDC
	Cllr Betty Rhodes	-	Wakefield MDC
	Cllr Michelle Swallow	-	City of Bradford MC
	Cllr Graham Turner	-	Kirklees MC

In attendance:

Angela Taylor	-	WYCA
Nick Winney	-	WYCA
David Burrell	-	WYCA
Ruth Chaplin	-	WYCA
Nigel Guy	-	LEP (to Minute 21)
Heather Waddington	-	LEP (to Minute 21)

16. Apologies for Absence

Apologies for absence from Councillors Kim Groves, Ron Halliday and Andrew Palfreeman were noted.

17. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by members at the meeting.

18. Exclusion of the Press and Public

There were no items on the agenda requiring exclusion of the press and public.

19. Minutes of the Meeting held on 23 September 2014

Resolved: That the minutes of the meeting held on 23 September 2014 be approved and signed by the Chair.

20. Forward Programme of Work

The Committee considered the updated work programme for the coming year which had been amended to incorporate the requests made at the previous meeting.

Councillor Baker proposed that the Committee consider, at a future meeting, the requirements for local authorities to provide match funding/developer contributions to enable certain transport schemes within their District to proceed. He also made reference to a development in Bradford which had received planning approval but was currently under judicial review because of conflict in respect of how S106 monies had been allocated. Officers explained that most transport schemes are fully funded by the WYCA and only in certain circumstances are Districts invited to submit funding requests that include local match funding. Members agreed that such issues were not within the Committee's remit and should, if necessary, be considered under the respective Council's own scrutiny arrangements.

It was suggested that the following items be added to the future work programme:

- Devolution (an update for each meeting)
- Chair of WYCA Transport Committee to be invited to provide an overview on transport plans and priorities at the next meeting
- Feedback from the December visit to Greater Manchester
- Business Plan (setting out WYCA's priorities) - February meeting
- WYCA Budget 2014/15 - February meeting
- Rail Issues (eg. removal of guards from trains, carriage of wheelchairs, prams, bikes, limited luggage space etc)

It was noted that arrangements were being made for members to meet with the Greater Manchester Combined Authority's Scrutiny Committee on 12 December 2014. Final details would be circulated to members at the earliest opportunity.

Members requested that an additional meeting be arranged in the New Year to be updated on the devolution proposals and it was suggested that Councillor James Lewis, Chair of the WYCA Transport Committee also be invited to provide an overview on WYCA's transport plans/priorities.

Resolved:

- (i) That the forward programme of work be amended.
- (ii) That final details in respect of the visit to Manchester be sent to members.

- (iii) That Councillor Lewis be invited to attend the next meeting of the Committee to be arranged for the New Year.

21. LEP/Green Economy/European Funding

The Committee was given a presentation which provided an overview on:

- The Local Enterprise Partnership (LEP)
- The Strategic Economic Plan (SEP)
- European Funding

Members made the following observations/comments:

- In noting the membership of the Leeds City Region LEP Board and panels, comment was made that there should be more emphasis placed on gender balance when recruiting.
- Essential to engage with local communities and businesses and ensure all publicity/documentation uses simplified dialogue with fewer acronyms.
- Acknowledge the need to use websites/technology to provide information etc but to be mindful of people who do not use computers and prefer contact by telephone/post.
- Need to publicise and promote initiatives which have been delivered as a result of EU funding.

The Committee emphasised that it was vital for a robust transport infrastructure system to be in place in order to maximise growth and investment for the region. They were disappointed that the application process for EU monies had precluded local authorities bidding for transport schemes other than the areas of Cornwall and the Isles of Scilly.

Members were concerned that the Growth Board and Sub Committees were held at national level although it was noted that each LEP area had its own ESIF Committee. They considered it would be beneficial to have more local involvement in the Sub Committees to engage with local business and stakeholders but it was noted that that these were established in accordance with the national terms of reference. Membership details of the ESIF Governance Panels would be circulated to members.

It was acknowledged that the Committee did not have the powers to scrutinise the LEP at the present time but members were assured that their comments would be referred to the WYCA.

Officers were thanked for their presentation.

Resolved :

- (i) That membership of the ESIF Governance Panels be circulated to members.
- (ii) That members' comments be referred to the LEP.

22. Financial Monitoring & Resources

The Committee considered a report on the current financial position and future resourcing requirements.

It was noted that work was being undertaken to develop a three year medium term financial strategy. The Budget Working Group had considered detailed elements of the transport budget and discussions were being held with the LEP in respect of funding arrangements for economic functions. It was reported that opportunities to identify synergies through closer working of the transport and economic functions would be pursued although it was acknowledged that significant extra work was arising from the devolution proposals and the successful bid for local growth funding.

The Committee noted that the former WYITA/WYPTE had regularly reviewed staffing and an overview of staff numbers over recent years was attached at Appendix A. Members were advised that work would be progressed during the next financial year to consider where costs could be saved through collaboration with District Councils and their views were sought on any specific areas they would wish to be included. Reference was made to the need for extra staff to manage schemes to be delivered through the West Yorkshire plus Transport Fund and Leeds City Growth Deal and members suggested that, where appropriate, staff should be redeployed.

It was agreed that the Budget and Business Plan would be brought to the meeting of the Committee scheduled for 10 February 2015.

Resolved:

- (i) That the current financial position and future resourcing demands be noted.
- (ii) That the Budget and Business Plan be brought to the meeting of the Committee to be held on 10 February 2015.

23. Carriage of Cycles on Trains

The Committee considered a report which provided information on current and future proposals for the carriage of cycles on trains in West Yorkshire and York.

It was noted that there were 6 train operators providing services in West Yorkshire and York and each had their own policy for the carriage of cycles. A guide setting out the approach for each of the operators had been produced by the Association of Train Operating Companies and a copy was attached at Appendix A to the submitted report.

Members were advised that there was an opportunity for the WYCA to influence the provision of cycles through discussions with the Department for Transport and bidders as the new Northern and TransPennine franchises were developed.

The Committee commented that the carriage of cycles on trains was one of a number of issues surrounding rail travel which they would like to consider in a wider

context. It was therefore agreed that a report would be prepared for a future meeting to include issues including the removal of guards from trains (highlighting the impact this would have for the mobility impaired and safety issues for passengers), the carriage of wheelchairs, prams and cycles, limited luggage space and health and safety issues in respect of standing passengers and obstructions caused by them. It was suggested that consideration also be given to the provision of multi-use carriages that could be adapted to accommodate the varied requirements for peak and off peak travel.

Resolved: That a report be prepared for a future meeting on the issues highlighted regarding rail travel.

24. Devolution

The Committee considered a report which provided an update on devolution.

Members noted that the Northern Futures initiative had been launched in the summer by the Deputy Prime Minister. The initiative had asked for input and members were advised that the Leeds City Region LEP and WYCA had developed a response that provided a joint negotiating position highlighting the strength of the cross-party and cross-LEP governance arrangements in place as a vehicle for managing further devolution. The submission had been provided to the Northern Futures Summit on 6 November 2014 at which the Deputy Prime Minister had confirmed that devolution was not dependent on appointing a city mayor.

Members were advised that the Chancellor of the Exchequer, George Osborne, had also invited devolution propositions, particularly from the Leeds and Manchester regions, to inform the Autumn Statement. A copy of the outcome of the Manchester proposition was attached at Appendix A to the submitted report.

In noting the Greater Manchester devolution agreement, members stressed that it was crucial that any agreement for West Yorkshire and York should have strong ambition and vision to allow local decision making to drive economic growth in the region.

Comment was made that it was also essential to guarantee certainty in respect of future European funding allocations and the Committee asked that the WYCA ensure that this be included in any deal. Members referred to the allocations made to the 39 LEPs which had been less than expected and they were aware that money had been topsliced to Scotland and Wales resulting in the Sheffield and Liverpool LEP areas currently challenging the decision under judicial review.

It was reported that in respect of the Leeds City Region, meetings were being held with Ministers and it was possible that a positive position might be agreed in advance of the Autumn Statement on 3 December 2014. The Committee asked to receive updates to all future meetings and it was noted that progress with the devolution agenda would be considered by the WYCA at its meeting on 12 December 2014.

Councillor James Baker commented that whilst welcoming the devolution of powers to the city region, he proposed the following recommendation, seconded by Councillor Cooper, to be made to the WYCA:

“That any increase in powers and responsibilities given to the WYCA should be democratically accountable and regional bodies should be elected and not appointed.”

In response a second recommendation was proposed by Councillor Rhodes and seconded by Councillor Grahame:

“That this Committee notes the current position and further consideration be given once more information becomes available on the range of powers that will be devolved to the city region”.

A vote was taken on the proposed recommendation by Councillor Baker as follows:-

For	-	3
Against	-	8
Abstentions	-	2

A vote was taken on the second recommendation proposed by Councillor Rhodes as follows:-

For	-	10
Against	-	2
Abstentions	-	1

Resolved: That updates be provided to future meetings of the Committee.

ITEM 13b

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE & YORK INVESTMENT COMMITTEE
HELD ON FRIDAY 28 NOVEMBER 2014 IN WELLINGTON HOUSE, LEEDS**

Present:	Cllr David Green (Chair)	-	WYCA/City of Bradford MDC
	Cllr Val Slater	-	City of Bradford MDC
	Cllr Peter McBride	-	Kirklees MC
	Cllr Richard Lewis	-	Leeds City Council
	Cllr David Dagger	-	Wakefield MDC
	Cllr James Alexander	-	WYCA/City of York Council
	Cllr David Levene	-	City of York Council
	Roger Marsh	-	WYCA/Leeds City Region LEP

In attendance:

	Rob Norreys	-	WYCA/LEP
	Colin Blackburn	-	Leeds City Region
	Nigel Guy	-	Leeds City Region
	James Flanagan	-	Leeds City Region
	David Hoggarth	-	WYCA
	David Burrell	-	WYCA
	Ruth Chaplin	-	WYCA

Observer: Councillor James Lewis

32. Chair's Remarks

The Chair announced that Councillor James Alexander was attending his last meeting as he was due to take up a new position.

Councillor Green thanked Councillor Alexander on behalf of the Committee for his hard work as Deputy Chair of the Investment Committee and also for his dedication and support in the establishment of the Combined Authority. Members wished him well in his future career.

33. Apologies for Absence

An apology for absence from Councillor Denise Jeffery was noted.

34. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by members at the meeting.

35. Minutes of the Meeting held on 1 October 2014

Resolved: That, subject to the inclusion of “and the Leeds City Region LEP” to minute 31, Joseph Rowntree Foundation, the minutes of the West Yorkshire and York Investment Committee held on 1 October 2014 be approved and signed by the Chair.

36. Leeds City Region Growth Deal Delivery

The Committee considered a report which provided an update on preparations for the delivery of the Growth Deal and West Yorkshire plus Transport Fund (WY+TF) and also on progress of delivery of other city region projects and programmes.

In respect of the Growth Deal, members considered the dashboard attached at Appendix 1 to the submitted report which summarised the progress towards delivery of each of the projects and programmes which had been awarded funding in July 2014. They discussed and noted the explanations given for red warnings on two schemes in Pillar 3, Biovale and Resource Smart Operations Programme.

Members noted the current dashboard in respect of the WY+TF which was also attached at Appendix 1 and noted that overall progress with preparing for delivery during 2015-16 remained on track. The following projects were programmed to be on site during the next financial year:

- Wakefield Eastern Relief Road
- Aire Valley Park & Ride
- York Northern Outer Ring Road Enhancements
- A629 (Halifax) Junction Improvements
- Rail Station Car Park Extensions

The Committee was advised of the delay in receiving ESIF funding and they considered the implications for those schemes which were reliant on EU funding contributions in order to be delivered within the timescales of the programme. It was agreed that officers carry out mitigating work on the affected projects with a view to identifying areas where additional local contribution could be achieved to progress the works in the short term. The Committee requested that a letter be sent on the Chair’s behalf to MEPs outlining the situation and asking for their support and help in respect of ESIF funding. Clarification on backdating of ESIF monies, when known, should also be sought and the response circulated to members of this Committee, Combined Authority and the LCR LEP Board.

Resolved:

- (i) That officers undertake further work on the projects reliant on ESIF funding.

- (ii) That a letter be sent to MEPs asking for their support and help.
- (iii) That clarification on backdating of ESIF monies be sought and circulated to members of the Combined Authority, Investment Committee and LCR LEP Board.

37. West Yorkshire Plus Transport Fund – Programme and Cost Review

The Committee considered a report on the approach to balancing the projected expenditure for developing and delivering the West Yorkshire plus Transport Fund (WY+TF) against the projected funding available.

It was recognised that the Leeds City Region had achieved a very positive outcome from the Local Growth Fund settlement which allowed WYCA to establish a £1 billion transport fund for West Yorkshire and York. Members were advised that the estimated cost of delivering the transport fund portfolio in full was £1.7 billion based on the original 10 year delivery schedule and taking inflation into account. A review had now been undertaken to develop a revised portfolio to match the funding and a balanced portfolio that continued to deliver the Fund's objectives had been identified.

Members noted the 3 stages of the review which were outlined in the submitted report. It was reported that the outcome of Stage 1 was a revised programme of £1.46 billion. Stage 2 suggested that further reductions of up to 20% were achievable but this would still leave a funding gap. Members were advised that it may be possible to close the gap through borrowing with the debt costs supported by additional local contributions through the levy and the Committee considered that this would be a sensible approach. A report would be prepared for consideration by the WYCA at its meeting to be held on 12 December 2014.

Resolved:

- (i) That the approach to re-profiling the development and delivery of the WY+TF be endorsed.
- (ii) That the proposed approach be recommended to the WYCA.

38. West Yorkshire Plus Transport Fund – Gateway Approvals

The Committee considered a report on the progression of the following schemes:

- Harrogate Road New Line through Gateway 1
- York Outer Ring Road through Gateway 1
- Wakefield Eastern Relief Road through Gateway 3

Details of all the above projects were outlined in the submitted report and business cases for each of them were attached as appendices.

It was noted that the Wakefield Eastern Relief Road scheme had passed through Gateways 1 and 2. Members considered it would be appropriate for the scheme to pass through Gateway 3 subject to approval by the WYCA and the following conditions being met:

- Confirmation of planning approval being granted.
- Tender price selected and confirmation that whole scheme delivered within the £33.053 million total cost to the fund (outturn prices) as reported in the Gateway 3 submission including an appropriate allowance for risk.
- Final land agreements to allow entire scheme to be delivered.

In response to a question raised by members, it was noted that subject to the above caveats, work would commence early in the New Year on the Wakefield Eastern Relief Road and in 2016/17 for the Harrogate Road New Line.

Resolved:

- (i) That the progression of the Harrogate Road New Line project through Gateway 1 be endorsed.
- (ii) That the progression of the York Outer Ring Road project through Gateway 1 be endorsed.
- (iii) That the progression of the Wakefield Eastern Relief Road through Gateway 3, subject to confirmation of the planning approval, tender price and land acquisition be endorsed.
- (iv) That approval be sought from the WYCA for progression through the Gateway approvals as set out in resolutions (i) – (iii) above.

39. Local Growth Fund Projects : Decision Making & Funding

The Committee considered a report and were given a presentation which provided information on the Local Growth Fund, how the allocation of funds would work in practice and how the various projects for 2015-16 might be funded.

Members discussed the project development and implementation process. It was agreed that business cases in respect of the following 7 projects be considered by the Investment Committee at its meeting to be held on 21 January 2014 and, if necessary, the respective sponsors be invited to attend:

- City Fields, Wakefield
- East Leeds Housing Growth – Red Hall
- East Leeds Housing Growth – Brownfield Sites
- York Central
- One City Park Bradford
- Halifax Town Centre
- Horse Close, Craven

Once the schemes had been approved the WYCA would enter into a contract with the relevant project sponsor. The contract would outline the final agreed funding option and any repayment terms together with the outputs and outcomes to be achieved from the project.

It was reported that from April 2015 when the Growth Deal commenced, there would be flexibility to move funding between projects. In this respect the Committee considered the recommended approach for identifying replacement projects before April 2015 in the following steps:

Step 1: Replacement projects should be initially considered from the same SEP Strategic Pillar. However where a situation arose where a replacement scheme could not be identified from the same strategic pillar of the SEP, officers should undertake the assessment outlined in Step 2 below to determine the readiness of potential substitute projects across all pillars for consideration by the Committee.

Step 2: An assessment should be undertaken by the LEP/CA appraisal team to consider the readiness for delivery of projects or programmes that could be substituted by the project in difficulty.

Step 3: The findings of the assessment should be considered by the Chief Executives, Directors of Development and the relevant Committees of the Combined Authority and LEP.

Step 4: Once the findings had been considered by the relevant parties, recommendations on the most suitable approach to re-profiling Growth Deal expenditure should be taken to the Investment Committee prior to the Combined Authority and LEP for approval.

Members also considered the following key questions:

Q1 – At what point should a project specific problem/issue be brought to the attention of the Committee?

Members considered it dangerous to have a hard and fast rule because the project could be in a position where a 5-10% change may not make much difference to the final outcome. They believed the decision should be based on the effects of outcomes instead of inputs. Whilst recognising the need for flexibility, members also stressed the need to be mindful of the parameters they had to work within.

Q2 – Where a project withdraws and a replacement project is needed, what approach should be adopted to identify replacement projects?

It was important to have a pipeline of alternative projects both in the public and private sectors so that a judgement could be made and a project ready for start if the opportunity arose. Also, in recognising that the Local Growth Fund needed to be spent during the 2015/16 financial year, members questioned the level of appraisal which should be undertaken.

Resolved:

- (i) That the business cases in respect of the 7 projects listed above be considered by Investment Committee at its meeting to be held on 21 January 2014 and, if necessary, the respective sponsors be invited to attend.
- (ii) That the recommended approach for identifying replacement projects before April 2015 as outlined in Steps 1 – 4 above be endorsed.
- (iii) That the need for resources to fund the ongoing delivery of the fund be noted.

40. Better Homes Yorkshire Programme

The Committee considered a report on the key elements of the Leeds City Region Better Homes Programme which was to be delivered across the city region in partnership with all city region local authorities and a private sector consortium of Keepmoat, Willmott Dixon and Scottish and Southern Electricity (referred to as KSW).

It was reported that the procurement of a private sector partner to deliver energy efficiency and domestic energy generation measures throughout the city region was nearing completion. The consortium KSW had been announced as the preferred bidder and final arrangements were being put in place.

The key objectives and scheme details were outlined in the submitted report and the scheme would allow householders to access a branded, value and quality driven contractor to carry out appropriate work to their property and would also be open to local authorities, housing associations and businesses within the city region. The overall scheme had been branded “Better Homes Yorkshire” and would be used in individual districts with their own area added eg. Better Homes-Bradford.

Councillor Dagger advised the Committee that Wakefield MDC had an existing contract in place and would review that arrangement and give consideration to joining the city region scheme in 2016.

Resolved:

- (i) That the key elements of the Better Homes Yorkshire programme be noted.
- (ii) That the significant local jobs and apprenticeships created and the potential for the scheme to improve people’s homes, reduce fuel bills and tackle fuel poverty be noted.
- (iii) That performance and investment updates be provided to future meetings of the Committee.

41. Exclusion of Press and Public

The West Yorkshire and York Investment Committee considered a recommendation to exclude the press and public from Agenda Items 10 and 11, which contained exempt information defined in Paragraph 3 of Schedule 12A Local Government Act 1972.

RESOLVED: It was agreed that for the reasons outlined below, the public interest would be better served by maintaining the exemption, and, therefore, the press and public were excluded for Agenda Items 10 and 11:

- (i) It was agreed that because disclosure of Item 10 (Proposals for Independently Evaluating the Impact of West Yorkshire Plus Transport Fund Investments) would not be in accordance with the Government's request that issues outlined in the report including its annexes, and the content of any agreement, which were deemed market sensitive, remained absolutely confidential.
- (ii) It was agreed that because disclosure of Agenda Item 11 (BioVale – BioHub Plus) would reveal commercially sensitive information this would prejudice the negotiating position of the Authority.

***42. Proposals for Independently Evaluating the Impact of West Yorkshire Plus Transport Fund Investments**

The Committee considered a report on proposals for independently evaluating the success of the West Yorkshire plus Transport Fund (WY+TF) investments.

Resolved:

- (i) That the requirement in the Growth Deal for the WYCA to commission independent analysis to evaluate the impact of the WY+TF investments made be noted.
- (ii) That the proposed arrangements for an independent impact evaluation panel be noted.
- (iii) That the Combined Authority and Transport Committee be appraised on the current position.

***43. BioVale (BioHub Plus)**

The Committee considered a report on changes to the BioVale 'BioHub Plus' scheme, since the submission of the Strategic Economic Plan and also the forthcoming gateway review.

It was noted that the scheme was a joint project between the Leeds City Region LEP and York, North Yorkshire & East Riding LEP (Y,NY&ER). Members suggested that the sponsors and a representative from Y,NY&ER be invited to the next meeting when

consideration would be given to the full business case. Comment was made that it would be beneficial for representatives from West Yorkshire & York to also attend any meetings held in North Yorkshire. A letter would be sent to North Yorkshire & East Riding LEP to agree a synchronised approach.

Resolved:

- (i) That a revised business case and appraisal be prepared for the next meeting of the Committee.
- (ii) That the sponsor and representatives from York, North Yorkshire & East Riding Enterprise Partnership be invited to the next meeting.

**MINUTES OF THE MEETING OF THE
TRANSPORT COMMITTEE
HELD ON FRIDAY 5 DECEMBER 2014 IN WELLINGTON HOUSE, LEEDS**

Present: Councillor J Lewis (Chair)

Councillors A Carter, E Firth, A Hussain, M Johnson, G Lowe, D Kirton,
M Lyons, A Pinnock, R Poulsen, L Smaje, D Sutherland and T Swift

In attendance: Councillor P McBride (Kirklees)

55. Apologies for Absence

Apologies for absence were received from Councillors R Billheimer, Y Crewe, E Taylor and M Ward.

56. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by Members at the meeting.

57. Minutes of the Meeting of the Transport Committee held on 31 October 2014

Resolved: That the minutes of the Transport Committee held on 31 October 2014 be approved and signed by the Chair.

58. Minutes of the Meetings of the District Consultation Sub-Committees

Resolved:

- (a) That the minutes of the meeting of the Leeds District Consultation Sub-Committee held on 6 October 2014 be approved.
- (b) That the minutes of the meeting of the Kirklees District Consultation Sub-Committee held on 8 October 2014 be approved.
- (c) That the minutes of the meeting of the Bradford District Consultation Sub-Committee held on 10 October 2014 be approved.
- (d) That the minutes of the meeting of the Calderdale District Consultation Sub-Committee held on 14 October 2014 be approved.

- (e) That the minutes of the meeting of the Wakefield District Consultation Sub-Committee held on 16 October 2014 be approved.

59. Minutes of the Meetings of the Local Bus Services Working Group held on 27 October 2014

Resolved: That the minutes of the Local Bus Services Working Group held on 27 October 2014 be approved.

60. West Yorkshire plus Transport Fund - Programme and Cost Review

The Committee considered a report on the approach to balancing the projected expenditure for developing and delivering the West Yorkshire plus Transport Fund (WY+TF) against the projected funding available.

It was recognised that the Leeds City Region had achieved a very positive outcome from the Local Growth Fund settlement which allowed the WYCA to establish a Transport Fund for West Yorkshire and York. Members were advised that the estimated cost of delivering the Transport Fund portfolio in full was £1.7 billion based on the original 10 year delivery schedule and taking inflation into account. A review had now been undertaken to develop a revised portfolio to match the funding and a balanced portfolio that continued to deliver the Fund's objectives had been identified.

Members noted the 3 stages of the review which were outlined in the submitted report. It was reported that the outcome of Stage 1 was a revised programme of £1.46 billion. Stage 2 suggested that further reductions of up to 20% were achievable but that would still leave a funding gap. Members were advised that it may be possible to close the gap through borrowing with the debt costs supported by additional local contributions through the levy and the Committee considered that it would be a sensible approach. A report would be prepared for consideration by the WYCA at its meeting to be held on 12 December 2014.

In respect of staffing, it was noted that a requirement for additional staff had been identified and the Head of Paid Service was authorised to approve a resourcing plan including options for the reallocation of internal staffing resources and secondments and utilisation of staff from District Councils.

Resolved: That the approach to re-profiling the development and delivery of the WY+TF be noted.

61. Gateway and Local Transport Plan Approvals

The Committee considered a report on the progression of the following schemes:

- Harrogate Road New Line (Gateway 1)

- York Outer Ring Road (Gateway 1)
- Wakefield Eastern Relief Road (Gateway 3)

Approval was also being sought for the following Implementation Plan 2 (IP2) Schemes:

- ICT Desktop Virtualisation
- Car Plus Demonstration Project

It was noted that the Wakefield Eastern Relief Road Scheme had passed through Gateways 1 and 2. Members considered it would be appropriate for the scheme to pass through Gateway 3 subject to approval by the WYCA and the following conditions being met:

- Confirmation of planning approval being granted.
- Post tender confirmation that whole scheme to be delivered within the £33.053m total cost to the Fund (outturn prices) as reported in the Gateway 3 submissions including an appropriate allowance for risk.
- Final land agreements to allow entire scheme to be delivered.

It was noted that, subject to the above caveats, work would commence early in the New Year on the Wakefield Eastern Relief Road and in 2016/17 for the Harrogate Road New Line.

ICT Desktop Virtualisation

It was reported that the WYCA's 3 year strategy included the deployment of technology which would enable staff to access electronic documents and systems from a WYCA computer at any location, thereby enhancing productivity and avoiding the need for ICT staff to re-configure PCs.

Car Plus Demonstration Project

It was reported that the national car club organisation 'Car Plus' had launched a nationwide funding competition in September 2014 which was aimed at expanding, enhancing and creating new car clubs. Members were advised that the Department for Transport (DfT) had announced that West Yorkshire was one of 4 areas in the country that had been successful. It was proposed that grant funding of £37,500 be matched by a £62,000 LTP capital contribution which would allow the expansion of Car Club provision to Bradford, Calderdale and Wakefield.

Resolved:

- (a) That the progression of the Harrogate Road New Line project through Gateway 1 be endorsed.

- (b) That the progression of the York Outer Ring Road project through Gateway 1 be endorsed.
- (c) That the progression of the Wakefield Eastern Relief Road through Gateway 3, subject to confirmation of planning approval, tender price and land acquisition be endorsed.
- (d) That a report on the West Yorkshire plus Transport Fund dashboard list of schemes and their timescales be prepared for the next meeting.
- (e) That approval be sought from the WYCA for progression through the gateway approvals as set out in resolutions (a) - (c) above.
- (f) That expenditure of £293,500 on ICT Desktop Virtualisation, to be funded through the Local Transport Plan, be approved.
- (g) That expenditure of £100,000 on the CarPlus Demonstration Project, to be funded through £37,500 CarPlus Grant and £62,500 through the Local Transport Plan be approved.

62. NGT Update

The Committee considered a report updating members on the current status of the NGT project following the conclusion of the Public Inquiry, including forward activity and project resourcing.

It was reported that the Public Inquiry which had been held in order that the views of the promoters and objectors could be heard, had concluded in October 2014. The Inspector had indicated that it would take until late May 2015 to prepare a final report to the Secretary of State for Transport and the Secretary of State for Communities and Local Government that would then be assessed and a decision announced in Autumn 2015 on the award of powers and associated conditions. A copy of the summary of the Inspector's closing remarks was attached at Appendix 1 to the submitted report.

Members were advised that subject to granting of the award of powers, an updated business case would be submitted to the DfT in order to gain conditional approval in Spring 2016. Procurement would then be undertaken after the milestone of Conditional Approval.

It was also reported that in order to undertake the necessary work prior to the decision being made, a smaller NGT team would be required to undertake the necessary work so that the scheme could proceed when the powers were granted.

Members were informed that whilst the Public Inquiry had finished, discussions were still ongoing with the objectors who were directly affected by the proposal in order to try resolving outstanding objections.

In this respect, members commented that some objections focussed on the potential loss of bus services in the area. In response, the Acting Director of Transport commented that as part of his evidence at the Inquiry, he had indicated that it was proposed at the appropriate time to consult with Local Communities regarding a network of bus services to complement the NGT scheme.

Resolved: That the report be noted.

63. Bus Strategy

The Committee considered a report which provided an update on the Bus Strategy.

It was noted that a meeting had been held to determine how consideration of the Bus Quality Contract Scheme would be conducted. Members were advised of a number of developments which had taken place which included assigning a team to progress work on the WYCA's bus strategy, including a Bus Quality Contract Scheme if required. A work programme was being finalised and would be presented to a future meeting of the Committee.

With regard to the Nexus Bus Quality Contract Scheme, it was reported that the North East Combined Authority had approved its submission to the Quality Contract Scheme Board which would be considered in Spring 2015.

It was reported that the 'big five' bus operators had announced plans for the roll out of smartcard ticketing across the major conurbations. The details, including the relationship to the Mcard scheme, were still awaited from the operators. Members discussed the risk implications and the WYCA's investment in the event of the operators electing to no longer participate in the voluntary West Yorkshire multi-operator bus only and multi-modal ticket prepaid ticketing scheme. In this respect it was commented that the Transport Act 2000 included powers to mandate participation in a ticketing scheme. Members were advised that the process of making a ticketing scheme would involve a consultation exercise involving the operators, user representatives, District Consultation Sub-Committees and the Traffic Commissioners prior to approval being sought from the WYCA.

Resolved:

- (a) That the report be noted.
- (b) That the development of a Ticketing Scheme for subsequent consideration by the WYCA be approved.

64. Rail Update

The Committee considered a report which provided an update on rail issues.

Rebalancing Britain Report

The Committee considered the key positive messages for West Yorkshire/Leeds City Region arising from the report by Sir David Higgins, Chairman of HS2 Ltd and the main recommendations were outlined in paragraph 2.1 of the submitted report.

Members also referred to the recent meeting with WYCA Members and Sir David Higgins where the key point from the discussions was the need for a single strategy linking HS2, HS3/One North and local connectivity. In this respect it was reported that the WYCA was currently working closely with HS2 on a number of projects including the location of the new Leeds HS2 station and also proposals on the wider connectivity of the City Region.

In welcoming the 'Rebalancing Britain from HS2 towards a National Transport Strategy' report, members stressed that whilst HS2 was key to transforming the future economy, it was fundamental to the overall success of HS2 that connecting journeys to the other regions, towns and cities were improved. They also commented that although HS2 would reduce journey times, more crucially it would release much needed capacity on existing overcrowded lines, create the opportunity for more frequent commuter services, including new service patterns and greater opportunities to utilise freight more extensively on the network.

One North – Transport for the North

It was reported that the One North proposition report which was published in August 2014, was being further developed through the emerging Transport for the North (TfN) partnership between the Northern City Regions, DfT, Network Rail, HS2 and the Highways Agency including the creation of a Partnership Board. Members were advised that TfN would help to achieve a united and long term perspective for the transport needs of the North, considering not just HS2 but also the east/west strategy and other transport priorities for the region.

In noting the work streams proposed by TfN, it was proposed that WYCA would provide technical input as well as providing the leadership role on some of the work streams.

Rail North and Northern/Trans-Pennine Refranchising

The Committee was given an update on the progress in respect of the Local Transport Authorities' signing up to the Rail North governance arrangements. Comment was made that the next step in the franchise procurement process was the finalisation and issue of the Invitations to Tender by the DfT in early 2015, setting out the specifications for the Northern and TransPennine franchises.

East Coast Franchise

It was reported that on 27 November 2014, the Government had announced that InterCity Rail (Stagecoach/Virgin) had been awarded the East Coast franchise. The Committee was advised that the implications for West Yorkshire were currently being assessed and an update would be provided at a future meeting.

Resolved:

- (a) That the report be noted.
- (b) That the approach to progress the Transport for the North work streams be endorsed.

65. Medium Term Financial Strategy and 2015/16 Budget for Transport

The Committee considered a report which provided an update on the work underway to establish a medium term financial strategy for the West Yorkshire Combined Authority.

It was reported that an initial draft of the medium term financial strategy including the transport element was considered by the WYCA at its September meeting. Since that time the WYCA had established a Budget Working Group to consider in more detail the content of the current budget and to review areas for further cost reductions including internal support and shared services with the District Councils.

It was recognised that the budget for 2015/16 should reflect the increased activities of the Combined Authority and be coherent and aligned, bringing together the transport and investment elements including the work required to deliver the SEP, West Yorkshire Transport Fund, Rail North and Bus Strategy.

Members were advised that a report would be presented to the Combined Authority where it was proposed that the transport levy would be frozen for 2015/16 other than the West Yorkshire plus Transport Fund agreed escalator.

Resolved:

- (a) That the position on the medium term financial strategy and 2015/16 budget with regard to transport be noted.
- (b) That individual Group briefings be arranged on the 2015/16 budget.