

WYCA ANNUAL MEETING - PART 2 (OTHER BUSINESS)

Originator: John Henkel,
Director of Passenger Services



ITEM 14

Report to: Combined Authority

Date: 23 June 2016

Subject: Transport for the North Update

1. Purpose

- 1.1. To provide the Authority with an update regarding Transport for the North.

2. Information

Transport for the North Business Plan

- 2.1. Transport for the North (TfN) is the regional transport body across the north of England comprising all the northern city regions, Local Enterprise Partnerships, Highways England, Network Rail and HS2 Ltd. It has been commissioned by the government to drive forward the delivery of transformational Northern Powerhouse transport investment projects, and will become the first Sub-National Transport Body. Leeds City Region is represented (from the LEP and WYCA) on the Transport for the North Partnership Board.
- 2.2. The Transport for the North Partnership Board has adopted a vision economic transformation, with transport as a key enabler. Transport for the North's spring report sets out this vision as:

Our shared vision is for a vibrant and growing economy across the north of England which builds on its unique economic strengths, attracts and retains the brightest and best talent, and plays globally in terms of its research, development, and business activities. The North will be one of the world's most competitive regions, playing host to successful and innovative global and local companies, offering its skilled workforce to businesses, and using its advanced transport connectivity to link clusters of thriving businesses – across the North, across the United Kingdom, and globally.

Our ambition for the Northern Powerhouse is to re-balance and grow the economy of the UK through a radical increase in productivity, at the same time as increasing job opportunities. It requires the delivery of a sustained, generation-long investment programme across the North in building infrastructure, strengthening skills, and harnessing innovation.

The Northern Transport Strategy is fundamental to delivering the Northern Powerhouse. Investment in connecting the North's towns and cities into a single economy is essential to creating a transformed integrated Northern economy greater than the sum of its parts. This requires investment in the North's transport networks to better connect the major urban centres and economic assets of the North to market opportunities, including talented staff, suppliers, collaborators and customers, at home and abroad.

2.3. The Transport for North Partnership Board has considered a draft business plan for 2016/17. The Business Plan priorities are:

- To establish TfN as a statutory body through the Cities and Local Government Devolution Act 2016.
- To successfully position TfN as the client body for Government on setting investment on pan-northern transportation infrastructure and services in the north of England, over and above the needs of individual authorities. This means that TfN will, in coordination with local transport authorities, become the client body, and through its transport strategy, to:
 - Set the specification and development of strategic rail infrastructure across the north of England;
 - Set the specification of highway infrastructure across the north of England;
 - Ensure successful management of the Northern and TPE rail franchises through Rail North Ltd and
 - Deliver Smart and Integrated ticketing options integrated across The North.

2.4. The Business Plan sets out activity to achieve these objectives through work-streams relating to:

- Strategy and Policy
- Analysis and Research
- Integrated Rail
- Integrated Highways
- Integrated Smart Travel
- Freight and Logistics

- Strategic Local Connectivity
- International Connectivity
- Governance and Legislation

2.5. Further information on governance and legislation and Northern Powerhouse Rail is set out below.

Transport for the North Governance and Legislation

2.6. Royal Assent has been granted for changes to primary legislation to allow TfN to progress to its aim of being the first statutory Sub-National Transport Body by the end of 2016.

2.6. The Act to establish TfN as a sub national transport body (STB) does not create the powers for it to operate. The Act enables the functions of the STB to be derived from a limited number of sources including:

- General functions provided for in section 102H of the Local Transport Act 2008, including the preparation of a transport strategy and powers to advise, co-ordinate and make proposals;
- Other public authority functions (i.e. including functions of the Secretary of State) to be exercisable either instead of by, or jointly (but not concurrently) with the public authority;
- Local transport functions (i.e. functions of CAs, LTAs or PTEs) exercisable instead of by, or concurrent with, the CA, LTA or PTE.

2.7. It is envisaged that an effective TfN, in its final form, would have the responsibility to set the strategic pan northern transport objectives for Highways England and Network Rail, in addition to fully devolved responsibility for specifying franchised rail services. This model follows similar principles of devolution in Scotland and Wales where transport investment priorities are determined locally according to economic priorities.

2.8. The above would require certain powers that are currently exercised by central government to be exercised by TfN instead. These powers include:

- Setting the objectives and priorities for the Rail Investment Programme;
- Determining the franchise rail service specification; and
- Setting and varying the objectives and priorities for the Road Investment Programme.

- 2.9. It is envisaged that the journey to fully devolved status would include an interim ‘co-decision’ making role with government as the capacity and capability of TfN matures. This is similar in the way that Rail North and government’s relationship has evolved.
- 2.10. To facilitate the development and implementation of its Transport Strategy, TfN would likely require the ability to exercise concurrently seven powers of the CAs, LTAs or PTEs that would enable it to be a real vehicle for transport devolution rather than an advisory body. These are included in Appendix 1.
- 2.11. It is not intended that the use of concurrent powers would reduce the powers available to local areas, and the intention is that TfN would only exercise these powers with the explicit agreement of the Local Transport Authority in question. It is important that this limitation is contained within the Order.
- 2.12. The elements of the constitutional arrangements upon which TfN would be established are also being developed and would include the following key principles:
- Voting arrangements;
 - Integration of Rail North;
 - Local accountability and operating model; and
 - Funding. It is proposed that TfN could seek statutory contributions with the unanimous support of its constituent authorities.
- 2.13. Because northern transport authorities differ so much in their size, it is proposed to introduce a weighted system of voting. TfN anticipate that issues should be resolved by consultation and consensus, rather than through formal voting, but it is a required element of the statutory arrangements that some provision is made for voting if required. There are a number of options for voting structures, but an appropriate option could be to assign weights based on population. This would avoid any bias between urban and rural authorities, and reflect the ambition that TfN should be representative of all the citizens of the North of England. Safeguards to protect both the largest and smallest members would be required.
- 2.14. It is proposed that most issues be determined on a simple majority of votes in line with the appropriate metrics once consensus is agreed. However, certain decisions such as agreeing the strategy and budget would require a super-majority vote.
- 2.15. It is proposed that Rail North would be incorporated within Transport for the North once it has been established as a sub national transport body. Rail North Partnership Board currently operates on a model of voting weighted by the share of each authority in the overall rail patronage of those services. It is proposed that, for Rail North matters, this voting mechanism is retained.
- 2.16. WYCA will be consulted on the proposed governance and legislation proposals for Transport for the North. It is suggested that a response should ensure that:

- Local Transport Authorities must be consulted on the draft order/scheme/detailed proposals in advance of any submission to Government in 'summer'.
- TfN should articulate clearly the case for concurrent powers over the (more inclusive) model of each Local Transport Authority exercising its own power to the same effect.
- Private sector gets little mention, and LEPs should be asked to consider whether they consider the business engagement proposals adequate.

2.17. In addition, more Local Transport Authority /LEP involvement and debate in the development of TfN would be beneficial and TfN should be asked to consider how to facilitate this as a quarterly meeting schedule is insufficient.

Leeds City Region Input

2.18. It is considered that further work is need to develop overarching policy objectives for TfN that set the context for all the TfN work-streams. This would help to define more clearly Tfn's purpose and how it best adds value to the work of its constituent partner authorities and other agencies.

2.19. WYCA has previously considered input to TfN road and rail work-streams. WYCA is now working with District Council partners in commissioning work to articulate the Leeds City Region economic benefits relating of Northern Powerhouse Rail (NPR), which is developing the case for transformational change in rail connectivity improvements between the six major cities in the north plus Manchester Airport. There have been concerns that this remit is too narrow in focussing solely on core cities. Extensive dialogue with district and business partners within Leeds City Region has developed the following emerging areas of consensus:

- NPR is one part of the region's connectivity requirements and there are other layers and supporting measures that are needed.
- Efforts should be made to prevent reducing the connectivity (current of future through committed investments/improvements e.g. improved services committed through the new Northern and Trans-pennine Express rail franchises, and Trans-pennine electrification/route upgrade).
- The design and connectivity provided by NPR stations are fundamental, enabling connections to other rail and transport services seamlessly including between HS2, NPR and local connections.
- There should be a stop at NPR York, to serve the northern and eastern parts of the city region.
- There should be a West Yorkshire NPR stop between Leeds and Manchester.

- 2.20. The economic and regeneration assessment is still on-going. The work completed so far suggests that there are significant economic benefits to be delivered by introducing an intermediate stop between Leeds and Manchester.
- 2.21. The study will be completed by the end of July. WYCA can then consider further input to the NPR work-stream.
- 2.22. It is considered that the Integrated Highways work-stream risks being overly focussed on elements of the (highways England) strategic road network, rather than seeking to develop a pan-northern roads strategy. The Strategic Local Connectivity work-stream would provide useful input to a broader strategy.
- 2.23. WYCA continues to lead the work streams on Integrated Smart Travel and Local Strategic Connectivity and to contribute to the other work-streams. Much of the funding for this is allocated through the Transport for the North budget for 2016/17, and does not require WYCA approval. However, the acceptance of the Strategic Outline Business Case, subject to Ministerial approval, has 'unlocked, the initial £1.85 million draw-down from the £150 million earmarked for this work-stream, and as capital expenditure requires WYCA approval as part of a revised capital programme.

3. Financial Implications

- 3.1. Assuming the expected Ministerial approval, WYCA is requested to approve expenditure of £1.85 million on the development of the Business case for the Integrated and Smart Travel work-stream, which is being led by WYCA. This expenditure would be funded by DfT grant.

4. Legal Implications

- 4.1. None as a result of this report.

5. Staffing Implications

- 5.1. None as a result of this report.

6. Consultees

- 6.1. The Managing Director was consulted in the preparation of this report.

7. Recommendations

- 7.1. That the updates provided in this report are noted.
- 7.2. That WYCA endorses the proposed requirements for Transport for the North governance and legislation as set out in paragraph 2.20.

- 7.3. That WYCA endorses the further input to the activities of TfN as set out in paragraphs 2.22 to 2.28
- 7.4. That WYCA includes, and approves, expenditure of £1.85 million, funded through the Transport for the North funding from the initial allocation to the Integrated and Smart Travel work-stream, in the 2016/17 capital programme.

8. Background Documents

- 8.1. Transport for the North Spring Report 2016
- 8.2. Transport for the North draft business plan 2016/17.

Summary of STB / LTA / PTE Concurrent Powers

To facilitate the development and implementation of its Transport Strategy, TfN would likely require the ability to exercise concurrently powers of the Combined Authorities, Local Transport Authorities or PTEs that would enable it to be a real vehicle for transport devolution rather than an advisory body. These are:

- The power to promote the economic, social and environmental well-being in TfN's area.
- The power to promote or oppose local or personal Bills in parliament or apply for TWA Orders.
- The power to make a pan-northern smart ticketing scheme.
- The power to carry passengers by railway throughout the North and from the North to other places in Great Britain.
- The right to be consulted on invitations to tender for rail franchise agreements affecting the North and the power to enter into agreements with the Secretary of State or franchise operators in connection with such franchises.
- The power to make capital grants to persons for the provision or improvement of facilities for public passenger transport.
- Powers to construct highways, reflecting TfN's position in relation to rail. It is not proposed that TfN would become a Highway Authority with responsibility for matters other than enhancement of the Strategic Road Network.

Originator: Rob Norreys,
Director of Economic Strategy



ITEM 15

Report to: Combined Authority

Date: 23 June 2016

Subject: Bids to Government for Growth Deal 3 and Large Local Major Schemes

1. Purpose

- 1.1. To update the Authority regarding the procedures for City Region bids for Growth Deal 3 and Large Local Major Schemes funding.
- 1.2. To ask the Combined Authority for its views on the options for bids from Leeds City Region, to be passed on to the LEP Board and the Transport Committee.

2. Growth Deal background

- 2.1. In July 2013, the government announced the establishment of the £12bn Local Growth Fund to be made available to Local Enterprise Partnerships (LEPs) over the lifetime of the current Parliament (up to financial year 2020/21). Over half of this money has so far been allocated in two rounds of 'Growth Deals': Leeds City Region's allocation of £624m is the largest given to any LEP area. We have agreed with government to deliver 10,000 extra jobs and 2,000 new homes by 2021 from our Growth Deal investments. The Combined Authority acts as the accountable body for the LEP's Growth Deal allocation.
- 2.2. The West Yorkshire plus Transport Fund was created as part of the original Growth Deal for the City Region. As part of the Deal, government is to allocate £30m to the Fund each year until 2035, as well as a sum of around £100m of additional devolved funding during the period 2015-21.
- 2.3. The funding of £173.5m for the NGT (New Generation Transport) scheme in Leeds also formed part of our Growth Deal allocation. Although this scheme has now been turned down by government following a public inquiry, the Department for Transport has publicly stated that the sum can be retained by the Combined Authority to be used for new public transport schemes in Leeds.

- 2.4. Government has set fixed annual targets for our total Growth Deal spending. The profile is uneven, rising from £68m in 2015/16 to £128m in the current financial year, but dropping back again to £57m in 2017/18, and then rising gently in subsequent years (NB. these figures exclude the sums previously allocated to NGT). Within those annual totals, we have the flexibility to decide precisely which schemes and programmes we invest in (as long as the spending has been approved in line with the Leeds City Region Assurance Framework). Additionally, we are able to allocate expenditure in a given year to non-Growth Deal projects as long as the equivalent sum is put back into the fund during the next financial year. However, Government does not wish to carry over budgets from one year to the next, an ability which would give the Combined Authority the freedom to plan the complex range of Growth Deal programmes and projects in a more sensible fashion.
- 2.5. As anticipated in the report to the January meeting of the Authority, we have invested £38m in Growth Deal schemes in the first year of the programme (2015/16), reflecting the challenges of working up a range of complex projects in a short space of time. The Authority has taken advantage of the flexibilities described in the previous paragraph to utilise Growth Deal money to support LTP and other economy funding streams across the wider portfolio of WYCA's activities. As a result, we have been able to utilise £62m of our allocation for the last financial year. However, since around £30m of WYCA capital now has to be returned to the Growth Deal for the current year, the target for 2016/17 stands at around £158m. Further discussions will be held with BIS on available mechanisms to manage this situation. In addition, WYCA is working to improve and enhance the process for managing the pipeline of projects to achieve better delivery.

3. New bidding opportunities

- 3.1. Earlier this year, Greg Clark, the Secretary of State for Communities and Local Government, invited LEPs to submit proposals for a new round of Growth Deals (referred to in the rest of this paper as '**Growth Deal 3**'). More details of this bidding round are now available:

- a sum of £1.8bn is to be allocated by a process of competitive bidding;
- the deadline for the submission of Growth Deal 3 bids is 28 July 2016;
- ahead of the final submission, LEPs are asked to submit a 'snapshot' of their proposals by 24 June to form the basis of a 'challenge meeting' to be held with a Minister (date to be confirmed);

This is likely to be the last chance to bid for Growth Deal funding in the current Parliament. The £1.8bn Growth Deal pot includes £500m of funding from the Department for Transport, forming part of the Government's commitment to sustainable transport, as well as representing the only source of funding for skills capital investment for the lifetime of this Parliament. These sums are not ring-fenced within the Growth Deal allocation.

3.2. The broad criteria to be used to assess Growth Deal 3 bids include:

- demonstrable value for money;
- substantial private and public sector leverage to be generated by the proposals;
- the deliverability of the proposed projects;
- evidence of good local governance (with a statement from government that mayoral Combined Authorities are seen as the strongest form of governance) and strong partnership working;
- the fit of proposals with national government priorities as well as with those of our own Strategic Economic Plan;
- the track record of delivering the Growth Deal to date.

3.3. In parallel, the Department for Transport has invited bids for schemes from the £475m **Large Local Major Schemes Fund**. This is also a competitive bidding process, with a deadline of 21 July, the bid to be submitted by the LEP. The eligibility criteria for the Large Local Major Schemes are set out below:

- the schemes need to be exceptionally large projects that cannot be progressed with local funding. For Leeds City Region, the minimum threshold is £75m.
- schemes needs to be 'indivisible' – in other words, they should be single projects, not 'programmes or 'packages of measures'. If they can be disaggregated or phased, they will be ruled out.
- rail schemes are not preferred as it is assumed that they already have a funding route (via national rail).
- schemes that are on the interface of the strategic and local road network are eligible.
- DfT do not expect to receive more than one or two bids from a single LEP area.

3.4. Although decisions on the awarding of the Growth Deal and Large Local Major Schemes funding are to be taken separately, the letters from government clearly ask that LEPs consider the two bids together so that we can provide a single narrative to government about their combined impact.

3.5. Additionally, a sum of £2bn will be awarded to developers via the **Builders Finance Fund** to encourage large-scale housing development – the announcement of the detail of this scheme has not yet been made, but may well have implications for the approach adopted by the LEP and WYCA to future housing proposals.

4. Initial bid options

4.1. The LEP Board held an initial discussion on the broad parameters of both the main Growth Deal 3 bid and that for Local Transport Majors at its meeting on 18 May. The views of the Board regarding the broad parameters of the bids are:

- the Board agreed that deliverability is vital to the credibility of our Growth Deal 3 bid. It will be important to identify either gaps in existing funding or new

opportunities that have recently arisen, rather than bid for projects that could be funded from our existing allocation;

- the principal narrative underpinning the City Region’s submissions should be that we are looking to bring together a package of targeted interventions that will support manufacturing, create jobs and raise productivity;
- in particular, we are seeking to accelerate economic development through the integrated provision of essential supporting infrastructure at a number of the City Region’s Spatial Priority Areas (that is, the geographical locations given priority in the newly-refreshed Strategic Economic Plan);
- the Growth Deal 3 and Local Transport Majors bids should be clearly aligned with each other in support of the above aims, and also with any input we may have into the Builders Finance Fund;

4.2. With regard to the Large Local Majors Schemes, there has been extensive dialogue with district partners regarding potential submissions. All suggestions have been assessed on the criteria set out in paragraph 3.3, meaning that a number of ideas have been deemed ineligible on those grounds. The initial assessment also includes consideration of feasibility, deliverability and value for money. The Transport Committee meeting of 1 July will be considering whether the following two schemes should be developed for submission to the Large Local Majors Fund:

- North Kirklees Orbital Road – a new road and junctions to unlock development land in north Kirklees, with access from junctions on the M1 and M62;
- dualling of A1237 York Northern Outer Ring Road – upgrade the existing 10 miles-long single carriageway A1237 York Northern Outer Ring Road to dual carriageway.

4.3. It should be noted that the A1237 York scheme has also been put forward as a potential York, North Yorkshire & East Riding LEP scheme. Discussions will therefore be held with our counterparts there to establish how this potential bid should best be progressed.

4.4. The LEP Board meeting on 19 July will consider and approve both bids for final submission.

4.5. It is envisaged that funding decisions will be made by the Government around the time of the Autumn Statement. A further report will be submitted to the Authority once the decisions have been announced.

5. Legal Implications

5.1. There are none arising from this report.

6. Staffing Implications

6.1. The staffing implications of the City Region bids for Growth Deal 3 and for Large Local Major Schemes will be known only when the government has announced the outcome of the two bidding procedures.

7. Consultees

- 7.1. Directors of the Combined Authority have provided advice in the preparation of this report.

8. Recommendations

- 8.1. That the Combined Authority notes the procedures for the Growth Deal 3 and the Large Local Majors Schemes bids set out by government, the views of the LEP Board with regard to the broad parameters of the Leeds City Region bids, and the initial proposals for each bid set out in section 4.
- 8.2. That the Combined Authority considers these initial proposals and passes on its views to the Transport Committee and to the LEP Board.

9. Background Documents

- West Yorkshire Combined Authority, 4 February 2016 – Item 7: Business Plan and Budget 2016/17.

Originator: Rob Norreys,
Director of Economic
Strategy



ITEM 16

Report to: Combined Authority

Date: 23 June 2016

Subject: Project and Spending Approvals

1. Purpose

- 1.1. To approve funding from the **West Yorkshire Plus Transport Fund** of £152k on the Wakefield City Centre scheme and £9,597,000 on the Aire Valley Park and Ride scheme.
- 1.2. To approve funding from the **Local Growth Fund** for:
 - 1.2.1. The funding request from Kirklees College for **Skills Capital funding** of £15,121,218 for the Dewsbury Development project to commence in 2016/17.
 - 1.2.2. Expenditure of £2,857,177 on Phase 1 of the **Tackling Fuel Poverty Programme**, to commence in 2016-17.
- 1.3. To approve the progress of **Housing & Regeneration** projects to full business case, as outlined in the report.
- 1.4. To approve funding from **LEP Economic Development Loans** of £750,000 to LL306¹ and £1m to LL308, as well as recoverable funding of £250,000 to LL305.

2. Information

West Yorkshire Plus Transport Fund Gateway Approvals

- 2.1. **Wakefield City Centre, Phase 1 (Kirkgate) Gateway 1** - The City Centre Package constitutes a number of changes to the existing network in and around Wakefield City Centre and is focussed on supporting the continued development and

¹ Loans are referred to by reference numbers as details can be commercially confidential.

regeneration of the city. Phase 1 of the scheme encompasses network changes and improvements in the Kirkgate area of the city.

- 2.2. Investment Committee is recommending that approval be given to progress beyond Gateway 1. This will include approval for expenditure of up to £152,000 (including allowance for risk) to fund the necessary detailed design and progression to Gateway 3. The overall capital cost of the scheme is £5.9 million, which would be fully funded from the Transport Fund.
- 2.3. **Aire Valley Park & Ride (Temple Green), Leeds** - The Aire Valley Park and Ride (AVPR) is an agreed 'early win' scheme, and is the first phase of the Aire Valley Integrated Transport Package. AVPR will establish a Park & Ride scheme in the Leeds City Region Enterprise Zone that will anchor high quality public transport to aid development of the Aire Valley and encourage higher public transport usage.
- 2.4. The Investment Committee is recommending that approval be given to progress expenditure of £9,597,000 (including allowance for risk) to construct the agreed project.

3. Local Growth Fund - Skills Capital Programme

The following table provides a summary of current approvals on the Skills Capital programme:

Priority 2: Skills Capital Programme	CA Approval Date	Project Allocation
Kirklees College - Process Manufacturing Centre	25 June 2015	£3,100,996
Shipley College - Mill Building Refurbishment	25 June 2015	£119,000
Leeds City College - Printworks Phase 3	25 June 2015	£8,998,358
Calderdale College - Unlocking Potential	25 June 2015	£4,977,000
Wakefield College - Advanced Skills & Innovation Centre	20 November 2015	£3,327,133
Shipley College - Refurbishment & IT upgrade (Salt Building)	20 November 2015	£300,000
Selby College - The Aspiration Building & extension	20 November 2015	£693,748
Bradford College - Advanced Technology Centre	20 November 2015	£250,000
Leeds College of Building - Flexible Construction Innovation Centre (Grant)	31 March 2016	£11,900,000
Leeds College of Building - Flexible Construction Innovation Centre (Cash flow facility)	31 March 2016	£2,100,000
	Total	£35,766,235

In addition to this, the following approval is sought for – Kirklees College, Dewsbury Development Project.

3.1. **The Kirklees College - Dewsbury Development Project** will rationalise 18,000m² of poor condition sites to 8,100m² of new teaching space in the town centre over two central sites. The project will also contribute to the strategic regeneration of Dewsbury town centre. One site will see the refurbishment of Pioneer House (3600m²), a grade 2 listed building integral to the regeneration of the town. The second site, close to Pioneer House, will house new facilities to provide a 16-18 centre and a construction and motor vehicle centre (1000m²) and this site is the Education Village. Together, the whole project is termed the Dewsbury Development Project.

3.2. The total project cost is £18,471,218. The College is requesting total support of £15,121,218 which is £11,121,218 grant with a cash flow facility, to support the project cash flow, of £4,000,000, which will be repaid from future asset disposals.

3.3. The Investment Committee is recommending that approval be given to progress expenditure of £15,121,218 on the Dewsbury Development Project.

4. Local Growth Fund - Tackling Fuel Poverty Programme

4.1. The West Yorkshire Combined Authority Better Homes Yorkshire Programme Board submitted a full business case for further work to tackle fuel poverty, (the TFPP) amongst some of the most vulnerable households in Leeds City Region (LCR). This would be through a capital programme of energy efficiency improvements including existing solid wall and hard to treat cavity housing stock across all tenures. There are estimated to be 140,000 fuel-poor households in LCR which constitutes 10.8% of the housing stock, compared to 10.4% nationally.

4.2. Funding of £5 million is sought from the Local Growth Fund. The Investment Committee agreed three projects in Phase 1; Leeds Holbeck, Bradford Solid Wall Insulation and Calderdale Almshouses with a total cost of £2,857,177.

4.3. It should be noted that this Programme does not directly address the two key ambitions of the growth in long term jobs and new housing. However, it does tackle fuel poverty directly, has significant carbon reduction benefits and supports important SEP ambitions including supporting SMEs businesses. The Investment Committee therefore recommends WYCA approval for £5m of funding from the Local Growth Fund, with the proviso that the business cases for the Phase 2 schemes be considered by the Investment Committee at a future meeting.

5. Local Growth Fund - Housing and Regeneration Programme

The following table provides a summary of current approvals on the Housing and Regeneration programme:

Housing & Regeneration Programme	CA Approval Date	Project Allocation
East Leeds Housing Growth - Red Hall	*12 March 2015	£4,000,000
East Leeds Housing Growth – Brownfield Sites	*12 March 2015	£1,100,000
Halifax Town Centre (Northgate House)	*12 March 2015	£1,300,000
One, City Park, Bradford	*12 March 2015	£5,200,000
Barnsley Town Centre	25 June 2015	£1,757,000
Kirklees Housing sites	23 July 2015	£1,000,000
Bath Road, Leeds	23 July 2015	£575,000
	Total	£14,932,000

* Agreed as part of the approval for year 1 (2015-16)

- 5.1. In addition to the above, and following the consideration of the Investment Committee, it is recommended that the following projects progress to Full Business Case. All are within Spatial Priority Areas.
- 5.2. **Bradford Odeon** is owned by Bradford Council who approved the Bradford Live proposal as the preferred development option for the site in December 2014. Bradford Live is a not-for-profit charitable company. The Outline Business Case (OBC) focuses on initial construction work. Specifically removing the 1960s cinema insertions which will open the space back up into its original 1930s configuration capable of accommodating audiences of up to 3,500 people.
- 5.3. **Forge Lane, Kirklees** is a 6.1 hectare brownfield development site located at the southern edge of Dewsbury. The site is in private ownership and has had planning permission for 169 homes, but no development has taken place. The Council now believes that the only way the housing development will take place is if they purchase the site and offer it directly to developers. The Council may use Compulsory Purchase Order (CPO) powers if needed, but will first try to secure the site through negotiation.
- 5.4. **York Central** is a site totalling 72 hectares to the rear of York Station with an estimated 35 hectares of brownfield land. The land is owned by a variety of interests with York Council, the National Railway Museum and Network Rail.
- 5.5. The Council's aims for York Central include creating a catalyst for economic development; creating linkages with surrounding communities; developing York station as a key gateway and improving the National Railway Museum. Towards this

aim the Council has recently secured Enterprise Zone status for the site and the Homes and Communities Agency has declared it a Housing Zone. The Government has also recently selected the area as a key development site adjacent to a station.

- 5.6. **Wakefield Civic Quarter** - Wakefield City Council require investment to purchase 3 remaining properties to enable them to secure the site needed to create a Civic Quarter. The main objective of the Civic Quarter project is to restore and convert historic buildings bringing them back into use. The outline business case has changed following its submission and the Council is currently considering the submission of a revised business case.

Project Development Funding

- 5.7. The capacity of all partners to progress housing and regeneration projects has been a limiting issue in 2015/16. To address this, in January 2016, the Investment Committee made an 'in principle' decision to allocate a proportion of the unallocated Local Growth Fund for project development. This brings consistency to the funding of WYCA projects, as transport projects are allocated funds to enable a progression between Mandate and Gateway 3. Project development funding is to be particularly targeted at Spatial Priority Areas, to accelerate the development of complex projects and ensure that output delivery remains on track to meet the Growth Deal targets agreed with Government.
- 5.8. All partners are aware that the project development funding (PDF) needs to be linked to a capital spend and would eventually form part of the WYCA funding offer to any resulting project. It is proposed that where required, a maximum amount is agreed for each project to enable it to progress. Partners would then fund and undertake the preliminary work on an 'at risk' basis. Once the project has been defined and an application made to WYCA for capital funding, the agreed amount spent on the project development work would be added to the project costs and WYCA would then fund that element, alongside other capital costs.
- 5.9. Work is being undertaken to develop a wider policy on loans and grants (relating to housing and regeneration projects), to be brought to a future WYCA meeting. The development of this policy, could include a more detailed consideration of how the PDF could work in practice to accelerate project development.

6. Economic Development Loans

- 6.1. **Background** – In 2012, the LEP was allocated £35.5 million of Growing Places Fund from the Government to make available for capital loan projects in the Leeds City Region. Of this, £31.9 million is drawn down or committed and there are currently ten live projects, one repaid loan and three projects which are approved and in the due diligence phase. These funds are intended to kick start stalled capital projects.
- 6.2. Projects are charged an interest rate relative to the risks of the project. As the funds are being allocated as loans, when returned they can be recycled to reinvest in future

growth. There have been three rounds of Economic Development Loan funding and the prompt repayment of some loans, together with interest, means that this revolving fund is already providing significant on-going and long-term benefits to the Leeds City Region economy. The LEP board has recently proposed to make up to £8m available for new projects from 2016-17 and a prospectus will be developed and a call made for private sector projects requiring loans, later in the year.

6.3. **Project risks** – A range of stalled projects have been supported, many of them involving significant risks. When the fund was first established, Members were informed that similar public sector loan funds, run by other organisations, managed to successfully recycle around 80% of the fund. The risks attached to projects requiring this type of funding will be given further consideration and a policy paper will be presented to Members at a future meeting.

6.4. **Approval of new loans** – The Investment Committee has recommended that the following loans be approved in principle (subject to final due diligence and agreement on terms):-

Project	LA area	Loan amount	Outputs	Comment
LL 306	Leeds	£750,000	Supporting a business to relocate and expand in the Leeds Enterprise Zone.	This loan will be made alongside a LEP grant for business support.
LL308	Leeds	£1,000,000	312 energy efficient homes on a brownfield site.	This loan will be made alongside a LEP grant for business support and also supports the Local Authorities Revolving Investment Fund.

6.5. The Investment Committee also recommends that an initial recoverable amount of £250,000 is provided to MarketInvoice (LL305) and that this project be regularly monitored and evaluated. This funding will be used to provide funds to support the cash-flow of small and medium sized enterprises across the city region.

7. Financial Implications

7.1. The approval sought from the WYCA is to fund the following expenditure through the West Yorkshire Plus Transport Fund:

- **Wakefield City Centre** - £152,000 to progress the project from Gateway 1 to 3.
- **Aire Valley Park & Ride** - £9,597,000 to progress the project from Gateway 3 and begin works on site.

7.2. The approval sought from the WYCA is to fund the following expenditure through the Local Growth Deal:

- **Kirklees College** - £15,121,218 subject to due diligence and legal conditions
- **Tacking Fuel Poverty Programme** - £2,857,177 is approved for Phase 1 of this programme, £909,963 of which is for 2016-17.

7.3. The approval sought from the WYCA is to fund the following expenditure through the **Economic Development Loans** LL305, LL306 and LL308, as detailed in section 6 above.

8. Legal Implications

8.1. The payment of any funding received through the Local Growth Deal to any partner will be subject to a funding agreement being in place between WYCA and the partner in question.

8.2. Leeds City Council will be entering into a contract with Carillion for the construction of the Park & Ride facility at Temple Green. Leeds CC will then draw down funds from WYCA through the funding agreement as the scheme progresses.

9. Staffing Implications

9.1. A combination of WYCA and District partner programme management resources are identified within the programme. The ability to secure external specialist resource is contained within the programme as well so that the resources are or will be in place in order to manage the delivery of any of the projects that may be recommended for funding from this paper.

10. Consultees

10.1. The Director of Resources and Director of Programme Delivery have been consulted in the preparation of this report.

11. Recommendations

11.1. That the Authority approves the progression of Wakefield City Centre (phase 1, Kirkgate) through Gateway 1 approval for £152,000 and allow it to progress to Gateway 3.

11.2. That the Authority approves the progression of Aire Valley Park & Ride (Temple Green) through Gateway 3 approval for £9,597,000.

11.3. That the current approvals on the Skills Capital and Housing and Regeneration Programmes are noted.

- 11.4. That, subject to completion of the appropriate due diligence and legal documentation the Authority approves a funding package of £15,121,218 to Kirklees College, subject to the College meeting the following conditions and subject to legal conditions.
- 11.5. That the Authority notes the requirement of £5m for the Tackling Fuel Poverty Programme, and approves £2,857,177 for Phase 1, funded from the Growth Deal, including £909,963 for 2016-17, with further consideration of the Phase 2 projects.
- 11.6. That the Authority approves the projects of the Bradford Odeon, Forge Lane Dewsbury, York Central and Wakefield Civic Quarter to progress to Full Business Cases for appraisal.
- 11.7. That the Authority notes the responsibilities and risks relating to the loans, for which WYCA is the accountable body.
- 11.8. That the Authority approves Economic Development Loans:
- To LL306 of £750k
 - To LL308 of £1m
 - With recoverable funding being provided to LL305 (MarketInvoice) of £250k

12. Background Documents

- West Yorkshire and York Investment Committee, 20 January 2016 – Item 7, Future Growth Deal Projects and Funding Appraisals.
- West Yorkshire and York Investment Committee, 20 January 2016 – Item 8, West Yorkshire Plus Transport Fund.
- West Yorkshire and York Investment Committee, 7th June 2016 – Item 6

Originator: Ben Still,
Managing Director



ITEM 17

Report to: Combined Authority

Date: 23 June 2016

Subject: The One Organisation Programme

1. Purpose

1.1. To set out the proposed new structure of the WYCA officer organisation and agree Director appointments as part of the restructure.

2. A new structure for the WYCA officer organisation

2.1. The current WYCA officer organisation structure remains largely unchanged from those in its predecessor bodies – the LEP and Metro. The business case for changing from this ‘inherited’ structure is based upon the following objectives set by the Leaders and Local Authority Chief Executives, for WYCA to:

- Drive stronger economic growth, while addressing increasing inequality and improving quality of life.
- Provide integrated policy and delivery to increase efficiency and service.
- Do more with less across the region in the context of public sector austerity.
- Supporting the future ambition of the LEP and Combined Authority – including transparent decision making, via a ‘single organisation’.

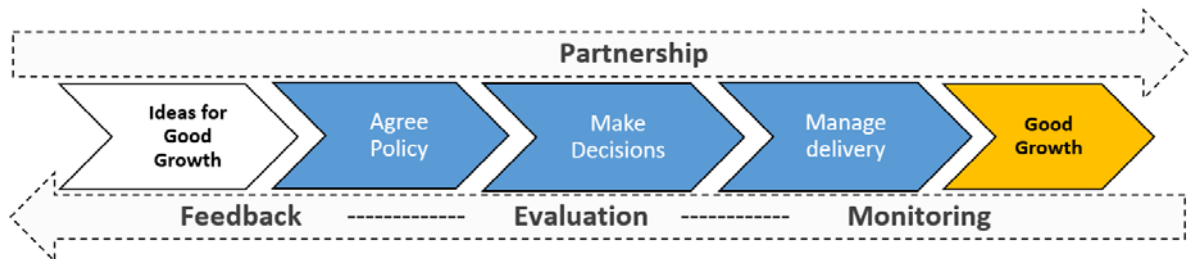
2.2. The inherited structure does not meet the objectives set out in paragraph 2.1 for the following reasons:

- there is duplication, with similar functions existing in different directorates;
- economic policy and transport policy are developed in different teams, with little read across between them and no unified decision making;
- there is no alignment between how the organisation needs to operate and the organisational structure – particularly in terms of project and programme management;

- the current structure encourages working within rather than between directorates;
- the model of delegations to individual directors rather than to an Executive Board again reinforces silo operation.

2.3. The proposal to change structure is driven by agreement that the organisation needs to function in a different way to meet the objectives in paragraph 2.1.

This **'target operating model'** (outlined below) sets out how the organisation will operate:



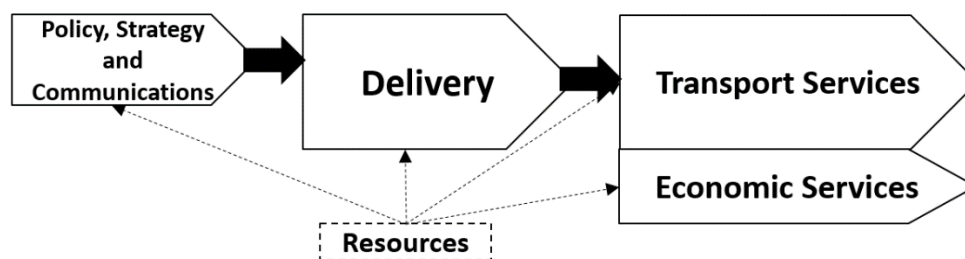
In narrative terms:

1. The WYCA and LEP Boards, and other sources, generate ideas to deliver economic growth for the region.
2. These are tested against an agreed policies and strategies to ensure a unified approach across policy areas.
3. The strategies determine which projects and programmes are undertaken using a robust and consistent approach to business case evaluation.
4. Projects and programmes are managed in a joined-up way, with consistent tracking and management to inform decisions being taken with input from key partners.
5. In some cases, policies and strategies (including those required under statute) may give rise to service areas – at present these include public transport services under statute, and economic skills and business support.
6. A clear evaluation framework will provide feedback, measuring progress against planned outcomes to help to improve future policy and delivery.

2.4. The proposed new directorate structure supports these objectives and the Target Operating Model:

- A single directorate to develop all policy and strategy, serving all the policy making City Region Boards, and joining up the different policy areas.
- A single framework for project and programme processes and evaluation. A single way we 'do' projects and make sure they are delivering the intended outcomes.
- Removal of duplication so that functions are only done in a single place.
- Service areas work closely with the delivery and policy and strategy directorates, with support from common 'back office' functions (call centres, marketing etc).

2.5. This structure, based on the operating model, is shown diagrammatically:



2.6. The proposed functions and leadership arrangements are set out below:

- **Director of Policy, Strategy and Communications** – includes transport, economic growth and all other CA / LEP policy development areas. Also includes communications, marketing and consultation across the whole organisation.
- **Director of Delivery** – owns the single project and programme management and processes for the whole organisation, the assurance framework, and ownership of the majority of large projects run by WYCA.
- **Director of Transport Services** – undertakes the passenger transport services (tendered network, information, ticketing) and facilities (bus stops, interchanges, information systems) roles.
- **Director of Resources** – responsible for finance, legal, secretariat, HR, ICT and associated systems.

2.7. At present the Economic Services portfolio is not sufficiently developed to warrant a Directorate, and therefore this service will be served by a ‘Head of Economic Services’ (working job title) reporting to the Managing Director.

2.8. Moving to this model requires the Combined Authority to endorse the following changes:

- Deletion of the Director of Development post and deletion of the Director of Economic Services, and replacement with a new single post of Director of Policy, Strategy and Communications.
- Deletion of the Director of Passenger Services and replacement with a new role of Director of Transport Services.
- Creation of a new role of Director of Delivery.

2.9. The WYCA ‘Management of Change’ process has been implemented leading to the following outcomes, which require ratification of Director appointments by the Combined Authority:

- Confirmation of Roy Norreys and Angela Taylor into the posts of Policy, Strategy and Communications and Resources respectively.

- Secondment of John Henkel to Transport for the North for a 12 month period, and immediate external recruitment of a new Director of Transport Services.
- External recruitment of Director of Delivery.

3. **Financial Implications**

- 3.1. All the Director roles have been evaluated using the Hay Job Evaluation scheme that was applied to the whole of WYCA in 2015. They have all been evaluated as grade 'R' (scale £93k-£104k). Automatic advancement along spinal point increments will not apply to Director posts.
- 3.2. The overall cost of this process is cost neutral due to the deletion of the Director of Development post, the removal of existing honoraria following the appointment of the MD, and the recouping of secondment costs from Transport for the North for John Henkel.
- 3.3. Since 1 July 2015 there has been an interim 'Director of Programme Delivery' role to establish the Portfolio Management Office, for the WY Transport Fund which has also assisted in covering the vacancy in the Director of Development post.
- 3.4. The costs of the proposed new structure will result in full year savings in year 1 of c £40k.

4. **Legal Implications**

- 4.1. None.

5. **Staffing Implications**

- 5.1. The CA's Management of Change policy has been applied and Trade Unions have been consulted as have all affected employees.
- 5.2. John Henkel will be joining TfGM for his secondment as TfN is not a legal entity/employer body and cannot employ him directly. John will leave WYCA upon completion of his secondment.

6. **Consultees**

- 6.1. The Chair of the Combined Authority, Chair of the LEP, and the WY Chief Executives have been consulted in the production of this paper.

7. **Recommendations**

- 7.1. That the Authority agree the appointments in paragraphs 2.8 and 2.9.
- 7.2. That the Director appointments take effect from 1 July.

8. **Background Documents**

8.1. Local Pay Agreement document – 2015.

ITEM 18

Report to: Combined Authority

Date: 23 June 2016

Subject: Transport Act 2000 - Ticketing Scheme

1. Purpose

- 1.1. To recommend the making of a statutory ticketing scheme under Section 135 of the Transport Act 2000.

2. Information

- 2.1. The current MCard range of bus and rail tickets is managed by West Yorkshire Ticketing Company Ltd (WYTCL) which comprises bus and rail operators and WYCA. The current arrangements are governed by a Joint Venture Agreement (JVA) under which WYTCL commissions WYCA to administer the scheme. Membership of WYTCL and JVA is voluntary, although rail operators are required to participate under conditions imposed in their franchise agreements.
- 2.2. In recent years, WYCA has invested over £5 million in providing the infrastructure to enable smart ticketing. There are now over 525,000 live smartcard and over million smartcard transactions every week. There is a risk that the value of WYCA's investment would be jeopardised if operators chose to withdraw from the current pre-paid ticketing scheme. Customers who currently purchase MCard ticket products would be disadvantaged and a resultant reduction in sales would weaken the product and discourage public transport use.
- 2.3. Section 135 of the Transport Act 2000 gives a Local Transport Authority (LTA) power to introduce a ticketing scheme in respect of bus services if the LTA considers that the proposed scheme would be in the interest of the public and would contribute to the implementation of its local transport policies. The current scheme promotes the use of public transport by enabling customers to pay for travel using multiple modes and/or operators. It is considered that mandating participation in a ticketing scheme protects it from the effects of operator withdrawal and is therefore in the public interest. The powers do not extend to setting prices, administering sales and distributing revenues. The Authority would need to ensure that bus and rail operators were engaged in setting prices and that appropriate arrangements were in place to ensure the promotion of the products and the administration of sales.

- 2.4. In December 2014, the Transport Committee resolved to consult on the adoption of a statutory scheme. The Act prescribes formal advertising of the proposed scheme; this took place in April 2015. Consultation and discussions on this matter continued during 2015 and, at its meeting of April 2016, the Transport Committee resolved to recommend the making of a scheme to the Authority.

3. Financial Implications

- 3.1. The administrative arrangements necessary to make a statutory ticketing scheme can be funded from existing budgets.

4. Legal Implications

- 4.1. The Authority has fulfilled its obligations under Section 136 of the Act with regard to advertising its intention to make a scheme. Under Section 137, the scheme shall come into effect no earlier than three months after the scheme is made. The scheme would therefore come into effect in October 2016.
- 4.2. The Buses Bill currently progressing through Parliament proposes a strengthening of the scope of statutory ticketing schemes enabling the scheme to specify forms of payment and the manner in which the ticket products are promoted. It is therefore appropriate to establish the scheme in 2016 and to strengthen in when the new powers are available.

5. Staffing Implications

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

6. Consultees

- 6.1. Consultation with WYTCL and all bus and rail operators in West Yorkshire took place between April and June 2015. Subsequent discussions have been held with the Board of WYTCL regarding the proposals in this report. The draft scheme will identify the role of WYTCL in setting ticket prices and the administration of revenue distribution.

7. Recommendations

- 7.1. That the Authority makes a statutory ticketing scheme under Section 135 of the Transport Act 2000.

8. Background Documents

- 8.1. Notice of consultation on a statutory ticketing scheme issued 1 April 2015 and subsequent responses from bus and rail operators.

ITEM 19a

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE & YORK INVESTMENT COMMITTEE
HELD ON WEDNESDAY 9 MARCH 2016 IN WELLINGTON HOUSE, LEEDS**

Present:	Cllr David Green (Chair)	-	WYCA/City of Bradford MDC
	Cllr Val Slater	-	City of Bradford MDC
	Cllr Barry Collins	-	Calderdale MBC
	Cllr Peter McBride	-	Kirklees MC
	Cllr Denise Jeffrey	-	Wakefield MDC
	Cllr Ian Gillies	-	City of York Council
	Roger Marsh	-	WYCA/Leeds City Region LEP

In attendance:	Rob Norreys	-	WYCA
	Angela Taylor	-	WYCA
	Rachel Jones	-	WYCA
	Jess McNeill	-	WYCA
	Sally Hinton	-	WYCA
	Mel Taylor	-	WYCA
	Colin Blackburn	-	WYCA
	Polly Cook	-	Leeds CC
	Ruth Chaplin	-	WYCA

34. Apologies for Absence

Apologies for absence were received from Councillor Richard Lewis.

35. Declarations of Disclosable Pecuniary Interests

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

36. Minutes of the Meeting held on 20 January 2016

Resolved - That the minutes of the West Yorkshire and York Investment Committee held on 20 January 2016 be approved and signed by the Chair.

37. Leeds City Region Growth Deal Delivery 2015/16 and 2016/17

The Committee considered a report which provided an update on the status of the Growth Deal and the budget allocations for 2015/16 and 2016/17. The Committee's

views on an indicative Local Growth Fund Housing and Regeneration Programme from 2016-2021 were also sought.

Members noted the 2015/16 Growth Deal delivery and spending update included developments relating to the delivery of the City Region's Growth Deal programme detailed in the submitted report. With regard to planning for the 2016/17 Growth Deal, it was reported that further work was required before the programme could be finalised and it was proposed that a full Growth Deal delivery plan be considered at the next meeting of the Committee.

The Committee was advised of the recent decision by York, North Yorkshire & East Riding LEP Board to reject the latest decision of the BioVale Business Case. Members reflected that the Combined Authority should in turn consider the viability of ongoing support from Leeds City Region. In the event of a decision to reject the business case the Committee recommended that work should be undertaken to investigate alternative means of supporting the emerging biotechnology sector.

The Committee was updated on the latest position regarding a Housing and Regeneration Programme for the period 2016/17 to 2020/21. An indicative programme was attached at Appendix 1 which listed a number of potential projects within the Strategic Priority Areas (SPAs). Members were advised that this was currently a draft programme and all expenditure would be subject to the submission of business cases, their appraisal and approval. It was noted that the programme for the years beyond 2017 was still developing and further projects may be added or substituted and the Committee would be kept informed of any changes.

Resolved –

- (a) That the progress in delivering the 2015/16 Growth Deal programme and planning for 2016/17 be noted.
- (b) That a detailed delivery plan for 2016/17 informed by full business cases be provided at a future meeting.
- (c) That the indicative Local Growth Fund Housing and Regeneration Programme from 2016-2021 as set out in Appendix 1 of the submitted report be noted.

38. Growth Deal Project Funding Appraisals

The Committee considered a report which provided information relating to the appraisal of the Leeds District Heat Network project for Local Growth Funding.

Members discussed the Full Business Case Summary for the project which was attached to the submitted report and requested further clarification on the appropriate financing option. In view of the timescales, it was agreed that arrangements be put in place for members to be informed of the outcome of the finance discussions once additional information was available.

Resolved – That the recommendations of the report were approved subject to clarification being provided on the financing method of the Leeds District Heat Network.

39. West Yorkshire plus Transport Fund

The Committee considered a report which sought endorsement for the following Gateway approval for West Yorkshire plus Transport Fund (WY+TF) priority project:

- York Central Access and Station Masterplan (Gateway 1)

Members discussed the summary business case and value for money statement in respect of the above scheme which were attached at Appendices 1 and 1a. Details of the funding requirements were outlined in the submitted report and it was noted that, subject to the approval of the Gateway 1 submission, City of York Council would request the release of £2.1m from the West Yorkshire plus Transport Fund to cover the costs of developing the scheme. The Committee endorsed the recommendation for the project to pass through Gateway 1 and for approval to be sought for the requested expenditure as detailed in the report.

The report also sought endorsement for the following:

- An extended budget for further feasibility and impact studies on M62 Junction 24a to progress the project to Gateway 1.
- A pre-mandate budget allocation for pre-feasibility work to commence on South East Bradford Link Road.
- For the release of 'held' funding from the request made as part of the A629 Phase 2 Gateway 1 Business Case submission.

The Committee considered the requests listed above and endorsed the recommendations as detailed in the submitted report.

Resolved –

- (a) That the recommendation for York Central Access and Station Masterplan to progress through Gateway 1 and for expenditure of £2.1m to progress the project from Gateway 1 to Gateway 2 be endorsed.
- (b) That the recommendation for an additional allocation of £70,000 from the West Yorkshire plus Transport Fund to undertake an extended feasibility study for the M62 Junction 24a project to work towards Gateway 1 be endorsed.
- (c) That the recommendation for expenditure of £91,000 to progress with pre-feasibility work for the South East Bradford Link Road be endorsed.
- (d) That the recommendation for the remaining funding of £1,616,000 to be released for the A629 Phase 2 project to progress be endorsed.

40. Fuel Poverty and Energy Efficiency in Housing in the City Region

The Committee considered a report which set out indicative options for a Local Growth Fund investment programme as part of a wider package of activities to address fuel poverty and energy efficiency in housing in the Leeds City Region.

Members noted the ongoing activity to provide a joint and innovative approach to tackling fuel poverty and the impacts of cold homes across the Leeds City Region. They considered each district's key priority measures for investment in tackling fuel poverty and improving the energy efficiency of homes which were summarised in Table 1 of the submitted report. These included insulation for fuel poor households.

The Committee considered the issues that should be addressed in developing a Full Business Case for an investment programme. It was requested that the LCR Better Homes Programme Board be asked to develop a Full Business Case for a programme based on the district priorities and potential scale of programme outlined in the report, for consideration by the Committee. The priority measures were hard to treat cavity wall insulation, replacement boilers and central heating systems, solid wall insulation and standard insulation measures.

In terms of measures to insulate attic rooms, it was reported that some successful schemes have been implemented that could provide some useful learning and be scaled up. It was therefore requested that a report be brought back on the experience in Leeds as part of developing the Full Business Case. In addition to the investment programme options, it was noted that there could be further opportunities to jointly match fund and/or obtain additional investment from a range of source and any further proposals should be reported to the Committee for consideration.

It was also proposed that the LEP Board be requested to consider where from within the Leeds City Region Growth Fund budget the funding should be identified to fund the proposed two year programme for 2016-18.

The Committee also requested that an update on the first year of implementing the Better Homes Programme be reported to the next meeting of the Committee.

Resolved –

- (a)** That the proposal for the Leeds City Region Better Homes Programme Board to prepare a Full Business Case for LGF investment programme based on the district priorities and scale of programme set out in the report, for consideration at a future meeting of the Committee, be endorsed.
- (b)** That the proposal to request that the LEP Board consider and identify where from within the Leeds City Region Growth Fund budget, the funding should be identified to fund the proposed two year programme for 2016-18, be endorsed.

- (c) That an update be reported to the next meeting on the first year of implementing the Leeds City Region Better Homes Programme.

41. Chair's Comments

The Chair thanked members for their input to the Committee during the last year.

**MINUTES OF THE MEETING OF THE
 OVERVIEW & SCRUTINY COMMITTEE HELD ON
 WEDNESDAY 23 MARCH 2016 AT WELLINGTON HOUSE, LEEDS**

Present:	Cllr Robert Light (Chair)	-	Kirklees MC
	Cllr Scott Benton	-	Calderdale MBC
	Cllr Andrew Cooper	-	Kirklees MC
	Cllr Ian Cuthbertson	-	City of York Council
	Cllr Mike Ellis	-	City of Bradford MC
	Cllr Kim Groves	-	Leeds City Council
	Cllr Margaret Isherwood	-	Wakefield MDC
	Cllr Albert Manifold	-	Wakefield MDC
	Cllr Jonathan Pryor	-	Leeds City Council
	Cllr Fozia Shaheen	-	City of Bradford MC

In attendance:	Mark Scott	-	Environment Agency
	Adrian Gill	-	Environment Agency
	Rosa Foster	-	Environment Agency
	Adrian Kennedy	-	Yorkshire Water
	Eve Pierrepont	-	Yorkshire Water
	Ben Still	-	WYCA
	Angela Taylor	-	WYCA
	Colin Blackburn	-	WYCA
	James Flanagan	-	WYCA
	Nick Winney	-	WYCA

Observer:	Cllr Martyn Bolt	-	Kirklees MC
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38. Chair's Comments

In accordance with the WYCA's Procedure Standing Order 16.2, the Chair accepted the late report for Item 6, Devolution Update, by reason of special circumstances. This was because at the time of the agenda publication the outcome of the Chancellor's budget announcement was awaited and the Committee needed to consider the most up to date information available at this meeting.

39. Apologies for Absence

Apologies for absence were received from Councillors F Ali, M Amran, J Baker, H Douglas, P Harrand, M O'Neill and B Rhodes.

40. Declarations of Disclosable Pecuniary Interests

Councillor Ellis declared an interest in Agenda Item 5, Flood Resilience, as he is a member of the Regional Flood and Coastal Committee, Airedale Drainage Commission and Pennine Prospects.

41. Exclusion of the Press and Public

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

42. Minutes of the Meeting held on 16 February 2016

Resolved - That the minutes of the meeting held on 16 February 2016 be approved and signed by the Chair.

43. Flood Resilience in the Leeds City Region

The Committee considered a report which provided an update on the economic impacts of the Winter floods and the ongoing activities to respond collectively to the flood resilience issues.

The report also highlighted the emerging national framework around infrastructure resilience and the Chair outlined areas of concern including the need for investment for the future and a recovery framework for future incidents.

It was reported that the Leaders and Chief Executives of the Leeds City Region had agreed for a strategic review to be undertaken. This would involve key partners including the Environment Agency, Canals and River Trust, Yorkshire Water, Highways England and Pennine Prospects and the review would report in late Spring. There was also a significant opportunity for WYCA, Leeds City Region LEP and local authorities to work with the key partners and it was suggested that a co-ordinated response be prepared on a multi-agency basis.

The meeting was attended by representatives from the Environment Agency and Yorkshire Water who each provided an overview of their organisation's work and priorities.

The Committee was advised of steps to analyse the business impacts as part of the financial case for interventions and discussed the importance of learning from experiences to ensure the most vulnerable received focussed help. Members discussed the investment commitments to respond and prepare for floods and the approach to addressing prevention. They stressed the need to invest in the future for resilient systems and testing of infrastructure and land management at river heads.

It was noted that discussions were also ongoing with Government Ministers and officials around potential devolution policy and funding asks that would support local flood response activity which could form part of a wider devolution deal.

It was considered that the experience of the Winter floods and aftermath was more difficult to deal with than events happening during the flood itself. Key points arising from this were:

- A resilience framework should be developed across the catchment areas for flood plains to examine infrastructure at risk and resource to deal with it; more focus was needed on commercial premises and the knock effect on business in general if communication infrastructure was knocked out, as had been the case.
- A spike in blocked drains and water pipes should be anticipated a few days after flooding events occurred;
- Utility companies across the country were a valuable and helpful resource that could be called upon at very short notice to provide resource and equipment with the necessary experience to deal with incidents – more should be done to explore setting up ways of working to make the best use of this capacity.
- Confusion for the public as to which agency they should ask for help, and confusion with agencies themselves as to whether something was their responsibility or not could be avoided if a policy was adopted whereby whichever agency was on the scene dealt with the emergency, with a reconciliation as to cost coming later. Yorkshire Water offered to host a single contact telephone number at their LOOP call centre.
- Work with insurers to adopt a collective loss adjustment approach so that each individual resident or business did not necessarily need to go through the loss adjustment process.
- There is potential for reservoirs and other water industry assets to be used as part of a mitigation strategy to reduce the speed of flow of upland waters, but this had to be balanced with the statutory duty to provide a clean water supply.
- The role of flood wardens had proven to be invaluable during the incident and a review of this resource, which was not equal across the districts, together with greater preparedness and use of shared data via social media networks would be beneficial.
- Harmonisation of flood plain data and planning authority development plans would help ensure development was resilient to flood risk.

The Committee welcomed the flood relief grants from government to Leeds and Calderdale in the budget but the view was that the economic cost and commercial impact on industry and tourism were much greater than anticipated, and were still rising, three months after the floods. Work should be done to examine the true cost of the floods to the region in terms of the business and tourist economies to inform future planning and funding bids to government for flood infrastructure grants and flood damage relief.

Members thanked Yorkshire Water and the Environment Agency for attending the meeting and for their useful contributions to the discussion.

It was agreed that a progress report be prepared for the next meeting of the Overview & Scrutiny Committee after which a report would be prepared for the WYCA.

Resolved –

(a) That the information provided in respect of flood resilience in the Leeds City Region be noted.

(b) That a progress report be prepared for the next meeting of the Overview & Scrutiny Committee.

44. Devolution Update

The Committee considered a report which provided an update on the progress with Government on the 'Devolution Deal'.

It was reported that no announcement had been made regarding a deal in the previous week's budget. Members were advised that if a deal was reached it was likely to be after the May 2016 elections, subject to the successful conclusion of negotiations. A meeting of the Committee would be arranged should a devolution deal be announced.

Members discussed the governance arrangements and District Council functions and noted that the current proposals would include a Mayor, Cabinet and an Assembly which would be drawn from local authority elected members. Scrutiny arrangements were also discussed along with the need to ensure the benefits of a devolution deal were properly explained to constituents.

Resolved - That the update on the Devolution Deal be noted.

45. Forward Programme of Work

The Committee considered the work programme for the coming year.

It was reported that a calendar of meetings for 2016/17 was being prepared but it was anticipated that the Committee would meet on a similar frequency to the current schedule. The task and finish groups would also continue to meet as and when required.

It had previously been requested that regular updates be provided on transport and economic projects and items for reporting back to the WYCA would be a standard item on each agenda.

In view of the possible changes in membership following the local elections it was suggested that some background and context to the work of the Committee be provided at the first meeting of the municipal year.

An update on flood resilience would be provided to the next meeting and members were reminded that the work programme could be amended to incorporate any further requests.

Resolved - That the forward programme of work be noted.

46. Items for Information: Draft minutes of the meeting of the WYCA held on 4 February 2016

Resolved – That the draft minutes of the meeting of the WYCA held on 4 February 2016 be noted.

47. Items for Feedback to WYCA

The Committee asked that WYCA be made aware that a report would be prepared for the WYCA to consider at a future meeting in respect of flood resilience in the Leeds City Region.

**MINUTES OF THE MEETING OF THE
TRANSPORT COMMITTEE
HELD ON FRIDAY 15 APRIL 2016 IN WELLINGTON HOUSE, LEEDS**

Present: Councillor E Firth (Chair)

WYCA Transport Committee:

CLlr Neil Buckley
CLlr Abid Hussain
CLlr Martin Johnson
CLlr David Kirton
CLlr Glynn Lloyd
CLlr Mick Lyons
CLlr Andrew Pinnock
CLlr Rebecca Poulsen
CLlr Taj Salam
CLlr Liz Smaje
CLlr Dan Sutherland
CLlr Christine Towler

In Attendance:

CLlr Richard Lewis (Leeds)
CLlr Peter McBride (Kirklees)
CLlr Val Slater (Bradford)
John Henkel (WYCA)
Angela Taylor (WYCA)
Ruth Chaplin (WYCA)

58. Chair's Comments

Councillor Firth advised members that Councillor Wakefield was unable to attend the meeting because he was recovering from a knee operation. The Committee asked that their best wishes be passed to him for a speedy recovery.

Members were advised that Jeff English, Assistant Director for Integrated Transport would be retiring from WYCA and the Committee thanked him for his hard work, contributions and support over the last 9 years.

Councillor Firth also announced that Nick Winney, Assistant Director, Legal & Democratic Services, was also leaving WYCA after 7 years' service. Members thanked Nick for his support and advice during that time and wished him well in his new position in Stockton.

59. Apologies for Absence

Apologies for absence were received from Councillors D Dagger, I Gillies, A Stubbley, T Swift, K Wakefield and M Ward.

60. Declarations of Disclosable Pecuniary Interests

Councillor Salam declared an interest in Agenda Item 5, West Yorkshire Transport Strategy and Bus Strategy, Agenda Item 6, Review of Bus Service Changes and Contract Awards 2015/16 and Agenda Item 7, Short Term Bus Initiatives as he is employed by First Group.

61. Minutes of the meeting of the Transport Committee held on 26 February 2016

Resolved - That the minutes of the Transport Committee held on 26 February 2016 be approved and signed by the Chair.

62. West Yorkshire Transport Strategy and Bus Strategy

The Committee considered a report which provided an update on the development of the draft West Yorkshire Transport Strategy and draft Bus Strategy and also sought approval to commence a public and stakeholder consultation.

Members had previously endorsed four core principles as the building blocks of the West Yorkshire Transport Strategy and it was reported that a new core theme of the 'Road Network' had been added in response to stakeholder input. Details of the policy proposals for the five core themes were outlined in paragraph 2.12 of the submitted report.

A workshop had been held for members of the Transport Committee prior to the meeting and their feedback would be incorporated into the draft strategies. Members discussed cycling, its benefits for health and the environment and cyclists' responsibilities, particularly with regard to observing the Highway Code and wearing appropriate clothing.

In view of the timescale it was agreed that approval for the final editing of the documents be delegated to the Chair of the Transport Committee and Director, Passenger Services to enable the public and stakeholder consultation to commence on 23 May 2016.

Resolved -

- (i) That the input provided by the Committee be noted.
- (ii) That the final editing of the Transport Strategy and Bus Strategy documents be delegated to the Chair of the Transport Committee and Director, Passenger Services.

63. Review of Bus Service Changes and Contract Awards 2015/16

The Committee considered a report which provided an update on significant changes in bus service provision and the procurement of supported services over the last year.

It was reported that in 2015/16 the bus network had remained relatively stable with most operator bus service changes being made to improve punctuality and reliability. A summary of the major changes in 2015 was attached at Appendix 1 to the submitted report and it was noted that all WYCA expenditure on bus service changes and procurement in 2015/16 had been achieved within the approved budget.

Comment was made that the former Bus Working Group had provided the opportunity for members to discuss tendered services in more detail and it was reported that this would be considered as part of the ongoing review of WYCA's committees.

Resolved – That the report be noted.

64. Short Term Bus Initiatives

The Committee considered a report which sought endorsement of a programme of short term initiatives to provide customer benefits, address bus passenger concerns and stimulate patronage growth.

It was noted that the impending Buses Bill was expected to provide a new legislative framework replacing the current Quality Partnership and Contract provisions. Pending the new legislative provisions, a programme of short term initiatives had been developed with the Association of Bus Operators in West Yorkshire (ABOWY) which would provide benefits to the passenger and be deliverable before 2018.

Members discussed the outline programme which was detailed in the submitted report and it was noted that a Steering Group of ABOWY representatives and WYCA officers had been established to deliver the initiatives. In welcoming the approach, members asked to be kept informed of delivery timescales and progress and noted the proposal for the Chair of the Transport Committee to meet on a quarterly basis with ABOWY.

Resolved – That the programme of short term initiatives to be implemented by March 2018 be endorsed.

65. Local Transport Plan Approvals

The Committee considered a report which sought approval for Quarter 1, 2016/17 payments for the following programmes:

- Local Transport Plan (LTP) Implementation Plan 2 (IP2) Integrated Transport and Highway Maintenance Blocks
- Cycle City Ambition Grant (CCAG)

Approval was also sought for the following IP2 schemes:

- New Shelters Programme 2016/17
- Shelter Refurbishment
- Smartcard and Information Programme (SCIP)
- Combined Services and Assets System (COSAS) – Extended Life Project
- Web Project
- Beacons Project

Integrated Transport Block and Highways Maintenance Block Quarter 1, 2016/17 Allocations

Members considered the Integrated Transport Block and Highways Maintenance Block payments to be made to partners in Quarter 1 of 2016/17 as set out in Table 1 of the submitted report. It was noted that the payments were based on the current allocations set out in Appendix 1 to the submitted report. Details of the distribution of the indicative Highways Maintenance Block Funding 2014-2017 was set out in Appendix 2 to the submitted report.

Cycle City Ambition Grant (CCAG) Funding

Members considered the proposed Quarter 1 payments of 2016/17 which were set out in Table 1 of the submitted report.

Local Transport Plan – Implementation Plan 2 Approvals

New Bus Shelters Programme 2016/17

It was reported that surveys had shown that passenger satisfaction with WYCA's facilities had increased as a result of a sustained investment programme to replace life expired shelters with new installations and refurbish others to extend their asset life. The shelter programme had also rationalised the shelter stock, reducing on-going maintenance and repair costs. In order to complete the process of standardising the shelter stock (with the exception of a small number of brick, stone or listed wooden shelters) approval was sought for £235,000 to be funded through the Local Transport Plan for the replacement of up to 30 life expired shelters in 2016/17.

Shelter Refurbishment

Members were advised that a programme to extend the life of shelters installed over 15 years ago had been developed. It was proposed to refurbish 541 shelters with

new electrical installations, secure glazing and repainting which would extend their life by a further 15 years. Approval was sought for expenditure of £1.75m to fund the refurbishment programme through the Local Transport Plan.

Comment was made that some passengers found the longer type shelters used by several bus services confusing, particularly when more than one bus was approaching as they did not know where to stand. It was reported that some drivers were also unsure of where to stop and it was requested that, where possible, service numbers be displayed to assist drivers.

Smartcard and Information (SCIP) Programme

The Committee considered the final phase of the SCIP programme which would develop three component projects and would also assist in reducing revenue costs by enhancing 'self-service' options and allowing front line staff to focus on more complex customer enquiries. Approval was sought for expenditure of £988,000 to be funded through the Local Transport Plan which included an allowance for contingency of £138,000.

Members were advised that a new DaySaver ticket was being launched on 18 April 2016. The DaySaver was a carnet type money saving MCard smartcard product which provided passengers with all day bus travel throughout West Yorkshire and would be valid on all bus services.

Combined Services and Assets Systems (COSA) – Extended Life Project

It was noted that changes were needed to the COSA database to support new business processes arising from enhanced passenger information and smart transactions. It was proposed to enter into a new five year contract with the supplier from April 2016 which incorporated software development to adapt the system to meet current and planned business needs. Approval was sought for expenditure of £250,000 to be funded through the Local Transport Plan for the COSA extended life project.

Web Project

It was reported that work was underway to build on the success of the previous Web project by improving the infrastructure resource to ensure that the WYCA websites are better able to withstand the continuing increase in customer usage. Approval was sought for expenditure of £202,000 to be funded through the Local Transport Plan to move the WYCA sites to a more robust hosting and Customer Management System.

Beacons Project

The Committee was advised that the bid submitted to the Department for Culture, Media and Sport (DCMS) for £350,000 funding for the Beacons project had been successful. The pilot scheme would test the use of mobile phones and Bluetooth

technology as a means of allowing passengers to pay for bus journeys and approval was sought for expenditure of £350,000 funded from the Department for Culture Media and Sport to develop the scheme. Members asked for information to be provided on the outcome of the trial.

In agreeing the report's recommendations, members commented that the former Local Transport Plan Committee would have had the opportunity to discuss the projects in more detail prior to the expenditure being approved. The Committee was advised that this had previously been brought to WYCA's attention and members' concerns would be reiterated.

Resolved –

- (i) That the quarterly payments set out in Table 1 be approved.
- (ii) That expenditure of £235,000 for the 2016/17 New Shelter Programme to be funded from the Local Transport Plan be approved.
- (iii) That expenditure of £1,750,000 for the refurbishment of 541 older shelters, to be funded from the Local Transport Plan in 2016/17 be approved.
- (iv) That expenditure of £988,000 for the SCIP Programme to be funded from the Local Transport Plan in 2016/17 be approved.
- (v) That expenditure of £250,000 in 2016/17 for the COSA Extended Life Project be approved.
- (vi) That expenditure of £202,000 to progress Web Development to be funded from the Local Transport Plan in 2016/17 be approved.
- (vii) That expenditure of £350,000 funded through a grant from the Department of Culture, Media and Sport, for the Beacons Project be approved.

66. Transport Act 2000 – Ticketing Scheme

The Committee considered a report on the outcome of consultation regarding the adoption of a ticketing scheme and to recommend the making of a statutory ticketing scheme under Section 135 of the Transport Act 2000 to the Combined Authority.

Members were advised that a statutory ticketing scheme would ensure bus operator participation and they considered that the implementation of a scheme would be in the interest of the public and also contribute to the implementation of transport policies. The responses to the consultation received from operators, how their concerns could be addressed and potential risks were outlined in the submitted report.

With regard to timescales, it was reported that the recommendation to make a formal scheme would be considered at the WYCA meeting to be held in June 2016 and, if approved, would come into effect in October 2016.

Resolved – That the making of a statutory ticketing scheme under Section 135 of the Transport Act 2000 be recommended to the Combined Authority.

67. Young Persons Concessionary Travel – Comparative Data

The Committee considered a report which provided comparative data in respect of Young Persons Concessionary Travel provision across the English metropolitan areas.

The report provided a brief outline of the various elements of payments to operators in respect of subsidised bus services, the English National Concessionary Travel Scheme (ENCTS) and Young Persons Concessionary Travel.

Members considered the table attached to the submitted report which set out the headline concessionary travel provision across comparable areas but it was stressed that it was difficult to draw meaningful conclusions because of the differing nature of the provisions offered. It was noted that West Yorkshire's half fare scheme was considered to be the most comprehensive of the metropolitan and city areas with the exception of Transport for London.

Resolved - That the report be noted.

68. Transport Update

The Committee considered a report which provided an update on national and regional transport developments impacting upon the Combined Authority.

Members were provided with updates on the following developments as set out in paragraphs 2.1 to 2.36 of the submitted report:

- Budget 2016
- Transport for the North
- National Infrastructure Commission
- Review of Network Rail
- Rail Franchising (Northern and Transpennine Franchises)
- Highways England – Growth and Housing Fund Update
- Cycling and Walking Investment Strategy
- DfT Sustainable Travel Transition Year Revenue Competition Bid
- Ultra Low Emission Vehicle Taxi Scheme
- Transport Focus
- Transport and Mental Health

DfT Sustainable Travel Transition Year Revenue Competition Bid

It was reported that WYCA had submitted a £2m bid to the Department for Transport for a “go:greener for Growth in West Yorkshire” project. The bid consisted of three work packages which focussed on Access to Jobs, Access to Skills and Training and Access to Education and the outcome of the bid was expected in the near future.

Transport and Mental Health

The Committee noted the update on the Mental Health and Transport Summit held in February 2016 which had focussed on how transport providers could deliver better services for people with mental health conditions.

It was noted that WYCA did support people with conditions that may affect their travel and a summary of the work being undertaken to address transport issues was attached at Appendix 2 to the submitted report. It was reported that a presentation on the Safe Place Scheme had been given at the Kirklees District Consultation Sub Committee and Councillor Firth suggested that it would be worthwhile for this to be given at a future meeting of the Transport Committee.

Resolved - That the updates provided in the report be noted.

69. Feedback from Spokespersons Representing the WYCA on External Bodies

The Committee was provided with feedback from spokespersons representing the WYCA on the following external bodies:

TfN Partnership Board – 25 February 2016 (Councillor K Wakefield)

In the absence of Councillor Wakefield, John Henkel, Director, Passenger Services updated members on the main points raised and discussions held at the meeting. It was reported that Leeds City Region and Sheffield City Region had expressed their concern that the economic importance and transport priorities of these areas were not fully reflected in the progress report for March and it was agreed that the report would be amended to reflect the comments made.

The Partnership Board had also been given a presentation of the work being undertaken through the Independent Economic Review. This had reflected the views that a focus on skills, research and development and innovation was required as well as improved transport connectivity. The meeting had also endorsed the work on developing proposals for enhanced information and smart, integrated ticketing and the development of a Memorandum of Understanding with Transport Scotland was noted.

Rail North Partnership Board – 25 February 2016 (Councillor K Wakefield)

The Committee noted the items considered at the meeting which had included the rail implications of the Transport for the North information, integrated smart ticketing workstream and the agreement for the development of a Memorandum of Understanding between Rail North, Transport for the North and train operating companies. Other items considered were the revised programme resulting from Sir Peter Hendy's review and a presentation of rail station devolution work undertaken by Transport for Greater Manchester. With regard to the new rail franchises, it was proposed that the new train operating companies be invited to attend a future meeting of the Transport Committee.

East Coast Main Line Authorities – 7 March 2016 (Councillor E Firth)

Councillor Firth provided feedback in respect of the East Coast Main Line Authorities meeting he attended on 7 March 2016. Copies of the 2 presentations given at the meeting had been circulated to members.

Resolved - That the feedback from the TfN Partnership Board, Rail North Board and East Coast Main Line Authorities meetings be noted.

70. Exclusion of the Press and Public

The Committee 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 (Land Disposal at Thorpe Lane, Tingley) would reveal details of commercial negotiations, the public interest would be better served by maintaining the exemption and, therefore, the press and public were excluded from the meeting.

***71. Land Disposal at Thorpe Lane, Tingley**

The Committee considered a report which sought consent to the disposal of land owned by WYCA at Thorpe Lane, Tingley, Leeds to Leeds Cricket, Football and Athletic Company Ltd on the terms set out within section 3 of the submitted report.

Resolved - That the disposal of land owned by WYCA at Thorpe Lane, Tingley to Leeds Cricket, Football and Athletic Company Ltd be authorised.

**MINUTES OF THE MEETING OF THE
GOVERNANCE & AUDIT COMMITTEE
HELD ON TUESDAY 19 APRIL 2016 IN WELLINGTON HOUSE, LEEDS**

Present: Councillor G Hussain (Chair)

Councillors N Barnes, G Burton, H Richards and
Roger Marsh (WYCA/LEP)

In attendance: S Appleton and M Kirkham (Mazars)

29. Apologies for Absence

An apology for absence was received from Councillor S Benton.

30. Declarations of Disclosable Pecuniary Interests

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

31. Minutes

Further to minute 25, Internal Audit Progress Report, members were advised that the report on business continuity arrangements would be prepared for the next meeting as the current procedures were being updated to reflect the move of the external servers and back up arrangements to a new remote site and the introduction of desktop virtualisation.

Resolved: That the minutes of the meeting held on 9 February 2016 be approved.

32. External Audit Update

The Committee considered a report which provided an update on external audit matters.

Representatives from Mazars attended the meeting to present their report on the interim audit and to answer questions on the following documents which set out progress and the next steps:

External Audit Progress Report

Members considered the report which was attached at Appendix A. This summarised the work undertaken and set out some key questions for the Committee to consider regarding fraud and compliance. Mazars required a response to the questions by 3 June 2016 and it was agreed that the Chair should respond on the Committee's behalf. It was noted that the request for information was standard auditing practice and members asked for sight of the previous year's response. This, together with a copy of the proposed response to the questions set out in the External Audit Progress Report would be shared with members of the Audit and Governance Committee before its submission on 3 June 2016.

Audit Strategy Memorandum

The Committee noted the purpose and background of the Audit Strategy Memorandum which was attached at Appendix B. They discussed the document which set out the approach being taken by Mazars including the scope and timeline of the work to be undertaken, the risks they will be addressing and confirmation of the expected audit fee.

Value for Money Audit Risk Assessment

The Value for Money Audit Risk Assessment was attached at Appendix C and set out the outcome of the planning work and identified the risks in specific areas which would be further considered during the final audit.

Members were aware of the changes required in the process of appointing new auditors for the 2017/18 year end. It was noted that consideration would need to be given to the way in which WYCA established an Auditor Panel to make such appointment and a report on proposed options would be prepared for a future meeting.

Resolved:

- (i) That the External Audit Progress Report, Audit Strategy Memorandum and Value for Money Audit Risk Assessment from Mazars be noted.
- (ii) That the Chair responds to Mazars on the Committee's behalf to the questions set out in the External Audit Progress Report and copies of the previous year's response and this year's proposed response be shared with members of the Audit and Governance Committee before its submission on 3 June 2016.
- (iii) That the future work required to establish an Auditor Panel and make an audit appointment by 31 December 2017 be noted.

33. Internal Audit Progress Report

The Committee considered a report on work undertaken by the Internal Audit Section from 1 February 2016 to 31 March 2016 and the key issues which had been identified were outlined in paragraphs 4.3.1 to 4.3.4 of the submitted report.

Review

Tendered Subsidised Bus Services
Main Accounting System
Prepaid Tickets & Concessionary Travel
Creditors

Opinion

Controlled
Well Controlled
Requires Improvement
Well Controlled

The Committee was given a brief overview of the key elements of each of the Audit Reviews, the purpose of which was to:

- (i) identify the objectives and key risks associated with the Audit entity;
- (ii) determine controls which Internal Audit would expect to be present to mitigate risk;
- (iii) review the existence and operation of controls through a combination of substantive and compliance testing.

It was noted that an audit follow-up had also been undertaken on the CHASE CRM (Customer Hubs and Service Experience) and details were outlined in the submitted report.

Prepaid Tickets and Concessionary Travel

It was reported that the review of Prepaid Tickets and Concessionary Travel had been evaluated as requiring improvement. Its objective had been to assess the arrangements in place for the calculation of the prepaid ticket pool, concessionary fares reimbursements and the management of agents' ticket stocks. The review had identified a requirement for the control environment to be determined for on-line ticket sales transactions which were planned to be introduced later in the year. In addition, that system user access rights be identified and enforced prior to the roll-out of CHASE system upgrades and it was recommended that a plan be produced for reporting changes or system performance issues in relation to smartcard usage.

Details of progress made to date in completing the Audit Plan 2015/16 were provided in Appendix A of the submitted report. It was noted that the performance of individual audit assignments was substantially in line with the Plan with a forecast overrun of 6 days.

Members discussed the arrangements which were in place to monitor the implementation of audit recommendations and considered the information contained in Appendix B which related to the two overdue high priority recommendations. It was confirmed that all recommended actions up to and including 2014/15 had been completed.

It was reported that in addition to completion of the above audit reviews, audit testing work had been concluded in relation to Risk Management, ICT Data Security, Metro Travel Centre Operations, Yorcard ICT Administration and Contract Monitoring. A summary of the results from those reviews would be provided to the Committee at the next meeting.

Resolved - That the report be noted.

34. Internal Audit 2016/17

The Committee considered a report on the schedule of internal audit reviews for 2016/17 and the associated resource requirement.

It was reported that the International Auditing Standards required the Head of Internal Audit to establish a risk based plan to determine the priorities of the internal audit activity consistent with the Authority's objectives. The final version of the Internal Audit Plan had been circulated to members of the Governance and Audit Committee prior to its approval by WYCA on 31 March 2016 and full details of the plan were attached at Appendix 1. It was noted that the content and progress of work would be reviewed regularly and the Committee would be notified if any changes were required to address changing risks or audit priorities.

At the last meeting members had sought assurances that Internal Audit had adequate resource in view of the new areas of assurance which had been identified for economic development activities. The Audit Plan identified a shortfall in resource of 204 days and also recognised that the requirement for assurance may change in subsequent years. Members discussed a number of options to address the imbalance between the required levels of assurance work identified for 2016/17 and supported, in principle, the need for an additional resource. However because it was currently unclear what level of resourcing might be required in future years, and in order to demonstrate value for money and future proofing, they suggested that it would be prudent for consideration to be given on the options for an interim resourcing arrangement for 2016/17. Further information including detailed costings would be provided at the next meeting.

Resolved:

- (i) That the need for additional interim resource for 2016/17 be supported in principle subject to the provision of further information and detailed costings.
- (ii) That officers be requested to expedite a solution to the resource shortfall without compromising audit coverage and the level of audit assurance which is sought in 2016/17.

35. Internal Controls and Financial Monitoring

The Committee considered a report on any changes to the internal control arrangements since the last meeting and the current financial position of WYCA.

Internal Controls

It was reported that since the last meeting there had been no significant changes to the arrangements for internal controls within the Combined Authority. Members noted that some amendments to the treasury management arrangements had been approved at the last meeting of the WYCA and the details and reasons for the change were set out in paragraphs 2.3 – 2.5 of the submitted report.

Key Indicators

The Committee considered the 'key indicators' specifically with regard to accidents to date in 2016 and noted that there had been no reportable accidents to the HSE. The increase in accidents and near misses in March had been investigated and could not be attributed to any particular cause.

Financial Monitoring – Revenue Budgets

Members were provided with a summary of the forecast position for the 2015/16 budget which had been reported to the WYCA on 4 February 2016. The budget for 2016/17 was also approved at the meeting and monitoring against it would now commence.

Financial Monitoring – Capital Budgets

It was reported that delivery of the Transport Fund and Local Growth Fund projects was being monitored by the Investment Committee. Members noted that there had been an element of underspending on the Growth Deal projects in 2015/16 but this funding has been carried forward to 2016/17.

Risk Management

Members noted that there had been no significant changes to risk management arrangements since the last meeting of the Committee.

It was reported that work was underway to update the corporate risks and members discussed the Code of Corporate Governance which was to be expanded to reflect the full breadth of activities over the last year. This would be considered by the WYCA at the Annual Meeting and a copy of the latest version was attached at Appendix 1. Members were given the opportunity to provide input into its development and any comments should be sent to Angela Taylor, WYCA's Director, Resources.

Resolved - That the report be noted.

36. Chair's Comments

The Chair thanked members for their input to the Committee during the last year.

ITEM 19e

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE & YORK INVESTMENT COMMITTEE
HELD ON TUESDAY 7 JUNE 2016 IN WELLINGTON HOUSE, LEEDS**

Present:

Roger Marsh (Chair)	-	WYCA/Leeds City Region LEP
Cllr Alex Ross-Shaw	-	City of Bradford MDC
Cllr Barry Collins	-	Calderdale MBC
Cllr Richard Lewis	-	Leeds CC
Cllr Denise Jeffrey	-	Wakefield MDC
Cllr Ian Gillies	-	City of York Council

In attendance:

Rob Norreys	-	WYCA
Angela Taylor	-	WYCA
Sally Hinton	-	WYCA
Colin Blackburn	-	WYCA
Liz Curley	-	WYCA
Lisa Childs	-	WYCA
Vicky Dumbrell	-	WYCA
Asif Abed	-	WYCA
Ruth Chaplin	-	WYCA

Observers:

Councillor S Hinchcliffe	-	City of Bradford MDC
Councillor K Wakefield	-	WYCA Transport Committee
Councillor E Firth	-	WYCA Transport Committee

42. Apologies for Absence

There were no apologies for absence.

43. Declarations of Disclosable Pecuniary Interests

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

44. Minutes of the Meeting held on 9 March 2016

Resolved - That the minutes of the West Yorkshire and York Investment Committee held on 9 March 2016 be approved and signed by the Chair.

45. Leeds City Region Growth Deal Delivery 2015/16 and 2016/17

The Committee considered a report which provided an update on the status of the Growth Deal and the budget allocations for 2015/16 and 2016/17. The report also outlined the views of the LEP Board in relation to in-principle support for alternative types of Growth Deal investments.

It was recognised that development and delivery of projects during the first year of the Growth Deal programme had been challenging although WYCA had been able to take advantage of flexibilities available to maximise total expenditure and delivery of the 2015/16 programme. The accounts for 2015/16 had now been closed down and members noted the final outturn figures for each project and programme which were attached at Appendix 1.

With regard to planning for 2016/17, it was noted that the government had made a Growth Deal allocation of £127.7m to the Leeds City Region. Members were advised that an additional £30.3m, which was either unallocated funding or had been used to support non-Growth Deal projects from 2015/16, would also be added to the figure making a total target spend of £158m for 2016/17. The funding would be invested across the four priorities identified in the Strategic Economic Plan and the progress made to date in planning for delivery was summarised in the submitted report. The importance of maximising the investment in 2016/17 was noted and members were advised that work would continue to identify the full extent of 2016/17 investment in Growth Deal projects and programmes.

The Committee was advised that the LEP Board had considered a number of options for alternative types of investment to ensure the maximum use of the LEP and WYCA investments in future. The LEP Board had agreed that four new categories of investment should be eligible in principle for consideration when allocating Growth Deal funding:

- Low carbon energy including district heating
- Low carbon innovation demonstration
- Tackling fuel poverty
- Enterprise Zone infrastructure

It was reported that any in-principle support for a particular category of investment would not mean that project applications were guaranteed approval. Each project and programme application would continue to be considered by the Investment Committee and Combined Authority on its individual merits in line with the principles of the Assurance Framework.

Resolved –

- (a)** That the progress in delivering the 2015/16 Growth Deal programme and planning for 2016/17 be noted.

- (b) That the recommendations of the LEP Board that a number of new categories of schemes were now eligible for consideration as Growth Deal investments be noted.

46. Growth Deal Project Funding Appraisals

The Committee considered a report which provided information in respect of:

- (i) The progression of four 2016/17 Local Growth Fund Housing and Regeneration projects from outline to full business case:

Bradford Odeon
Kirklees Forge Lane
York Central
Wakefield Civic Quarter

- (ii) To consider the full business case and funding request from Kirklees College for Skills Capital funding for the Dewsbury Development project to commence in 2016/17.
- (iii) To consider the full business case and funding request from WYCA for funding the Tackling Fuel Poverty Programme to commence in 2016/17.

Members discussed and endorsed the progression of the four 2016/17 Local Growth Fund Housing and Regeneration projects from outline to full business cases which were detailed in the submitted report.

It was reported that there were a number of other outline business cases which had been received and were under consideration. These were listed in paragraph 4.1 of the submitted report together with information on the Project Development Funding process which had been introduced to assist local authorities to progress housing and regeneration projects.

The Committee also discussed and endorsed the full business case and funding request from Kirklees College for Skills Capital funding for the Dewsbury Development project to commence in 2016/17. Details of the project were outlined in the submitted report and a summary of the full business case was attached at Appendix 1.

The Committee considered the funding request for the Tackling Fuel Poverty Programme to commence in 2016/17. Members were advised that in order to remain impartial, the funding request had been appraised independently as it had been submitted by the WYCA Better Homes Yorkshire Programme Board. It was recognised that the Programme did not address the two key ambitions of the growth in long term jobs and new housing. However it did directly tackle fuel poverty and had significant carbon reduction benefits and supported SEP ambitions and SMEs businesses. The LEP Board had considered it appropriate for the Local Growth Fund to support tackling fuel poverty and the Committee endorsed the recommendation

for the Combined Authority to consider approval for funding of £5m with the proviso that the business cases for the Phase 2 schemes be considered at a future meeting of the Committee.

Resolved –

(a) That the recommendation to the Combined Authority for the following 2016/17 Local Growth Fund projects progress from outline to full business case be endorsed:

- Bradford Odeon
- Kirklees Forge Lane
- York Central
- Wakefield Civic Quarter

(b) That the recommendation to the Combined Authority for £15.1m to be made available to Kirklees College, comprising a grant of £11.1m and a cash flow facility of up to £4m, repayable from disposal of assets, subject to the College meeting the outstanding conditions outlined in paragraph 5.4 of the submitted report and subject to the following legal conditions, be endorsed:

- (i) A funding package of £15.1m, made up of £11.1m grant and a cash flow facility subject to appropriate legal negotiations and security of the £4m repayment.
- (ii) The funding package is subject to Heads of Terms agreed between the College and the Council for the procurement, works and lease arrangement at Pioneer House.

(c) That the Combined Authority be asked to note the requirement for £5m Local Growth Funding to support the Tackling Fuel Poverty Programme, confirming approval of £2.85m for Phase 1 of the Programme, £961,689 of which is for 2016/17, with the outstanding £2.51m for Phase 2 schemes being subject to consideration of satisfactory scheme business case(s) and a future report.

47. West Yorkshire plus Transport Fund

The Committee considered a report which sought endorsement for the following Gateway approvals for West Yorkshire plus Transport Fund (WY+TF) priority projects:

- Wakefield City Centre – phase 1 (Kirkgate). (Gateway 1 approval for £152,000).
- Aire Valley Park & Ride (Temple Green), Leeds. (Gateway 3 approval for £10.91m).

Members considered the Gateway schemes and welcomed the proposed improvements to the Kirkgate area of Wakefield. The Aire Valley Park and Ride Scheme was in the Leeds City Region Enterprise Zone and the benefits in respect of air quality and encouraging public transport usage were noted. They endorsed the

recommendations for the progression of both schemes and asked for a verbal update on the Aire Valley Park & Ride scheme at the next meeting.

Resolved –

- (a) That the recommendation to the Combined Authority for Wakefield City Centre (phase 1, Kirkgate) to progress through Gateway 1 and for expenditure of £152,000 to progress the project to Gateway 3 be endorsed.
- (b) That the recommendation to the Combined Authority for the progression of Aire Valley Park & Ride (Temple Green) through Gateway 3 and expenditure of £10.91m be endorsed.

48. Leeds City Region Enterprise Partnership Loans

The Committee considered a report which provided information on the following:

- The responsibilities and risks relating to the Leeds City Region Enterprise Partnership (the LEP) loans because the role of the accountable body being taken over by WYCA from Leeds City Council since 1 April 2015.
- The proposed governance arrangements and procedure to allow timely decision making on LEP loans, when there is a lengthy gap between meetings.

The report also asked the Committee to consider the recommendations of the LEP Investment Panel regarding loans to companies and the commitment of recoverable funds to MarketInvoice.

Members were provided with the background to LEP loan and project risks which were detailed in the submitted report and noted the responsibilities of WYCA as the accountable body and fund manager and the role of the LEP Investment Panel.

The Committee considered and endorsed the proposed new governance arrangements for LEP loans and also the future operation of the LEP Loan Fund on a commercial, enabling and supporting basis which were set out in the submitted report. In this respect, it was proposed that the WYCA would approve projects and the loan amount in principle and the WYCA Managing Director, under his delegated authority, would finalise and approve the details, following appropriate due diligence and agreement on final terms by the LEP Investment Panel.

In accordance with the approach previously adopted by the LCR Leaders Board, the WYCA's Managing Director proposes that if approval on such applications cannot be sought from WYCA in a timely way, due to decisions being required in between scheduled meetings, the recommendations of the Investment Committee would be circulated by email to WYCA Members for agreement within a specified timeframe of 5 working days. If no objections were raised over this period then the Managing Director would determine the application under delegated authority. However,

should any WYCA Member raise an objection or issue in relation to an application, it would be referred back to the WYCA for further consideration.

The Committee endorsed the recommendations of the LEP Investment Panel for the Combined Authority to consider the approval of the following new loans:

- (i) Project LL306 which supported a business to relocate and expand in the Leeds Enterprise Zone.
- (ii) Project LL308 in respect of 312 energy efficient homes on a brownfield site.

Members also endorsed the recommendation of the LEP Investment Panel for an initial amount of £250,000 to be provided to Project LL305 which would be regularly monitored and evaluated. The funding would be used to support the cash flow of small and medium sized enterprises across the Leeds City Region.

Resolved –

- (a) That the responsibilities and risks relating to the loans, for which the WYCA is the accountable body, be noted.
- (b) That the proposed governance arrangements for the approval of LEP loans as set out in the submitted report be endorsed.
- (c) That the recommendations of the LEP Investment Panel be endorsed in relation to:
 - (i) Making loans to LL306 of £750,000 and LL308 of £1m
 - (ii) Providing recoverable funding to LL305 of £250,000.
- (d) That the future operation of the LEP Loan Fund on a commercial, enabling and supporting basis be noted.

49. Leeds City Region Better Homes Programme Update

The Committee considered a report which provided a summary of the outputs and outcomes from Year 1 of the Better Homes programme across the Leeds City Region.

The report also set out the proposal for a temporary KPI target for improvement to 815 homes for Year 2. This was in response to a continued lack of national funding to support domestic energy efficiency and the target had been reduced from the original 4,119 homes for improvement in Year 2. However this target would be increased should additional funding be secured such as Local Growth Fund or through further Department of Energy & Climate Change (DECC) funded national schemes.

Members had previously requested information in respect of the Leeds Cross Green Group Repair programme and details were attached at Appendix 1 and a case study from the Central Heating Fund programme was set out in Appendix 2.

Resolved –

- (a)** That the update on the progress and outputs delivered in Year 1 of the Better Homes Programme be noted.
- (b)** That the proposed changes to the expected delivery outcomes for Year 2 as a result of the major changes in the funding and operating environment for the programme be noted.

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