

WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE

**MEETING TO BE HELD AT 11.00 AM ON WEDNESDAY, 6 SEPTEMBER 2017
IN COMMITTEE ROOM A, WELLINGTON HOUSE,
40-50 WELLINGTON HOUSE, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**

1. To highlight Appendix 2 to Agenda Item 8 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemptions outweighs the public interest in disclosing the information, for the reasons outlined in the report.
2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out at paragraph 7.1 of Agenda Item 8.
3. If the recommendations are accepted, to formally pass the following resolution:-

RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 2 to Agenda Item 8 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 4. MINUTES OF THE MEETING OF THE WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE HELD ON 12 JULY 2017**
(Pages 1 - 6)
- 5. INVESTMENT PANEL - GOVERNANCE ISSUES**
(Pages 7 - 8)
- 6. LEEDS CITY REGION GROWTH DEAL DELIVERY**
(Pages 9 - 22)
- 7. CAPITAL SPEND AND PROJECT APPROVALS**
(Pages 23 - 104)
- 8. WAKEFIELD EASTERN RELIEF ROAD : CHANGE REQUEST**
(Pages 105 - 118)
- 9. ESIF SUD UPDATE**
(Pages 119 - 122)

Signed:

A handwritten signature in black ink, appearing to be 'BDM', with a long horizontal stroke extending to the right.

WYCA Managing Director



**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE
HELD ON WEDNESDAY, 12 JULY 2017 AT COMMITTEE ROOM A, WELLINGTON
HOUSE, 40-50 WELLINGTON HOUSE, LEEDS**

Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Barry Collins	Calderdale Council
Councillor Ian Gillies	City of York Council
Councillor Denise Jeffery	Wakefield Council
Councillor Richard Lewis	Leeds City Council
Councillor Peter McBride	Kirklees Council
Councillor Alex Ross-Shaw	Bradford Council

In attendance:

Melanie Corcoran	WYCA
Angela Taylor	WYCA
Jess McNeill	WYCA
Rachel Murphy	WYCA
Ruth Chaplin	WYCA

1. Apologies for Absence

Apologies for absence were received from Roger Marsh.

2. Declarations of Disclosable Pecuniary Interests

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

3. Exclusion of the Press and Public

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

4. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 16 June 2017

Resolved: That the minutes of the West Yorkshire and York Investment Committee held on 16 June 2017 be approved and signed by the Chair.

5. Appointment of Investment Panel

The Committee considered a report of the Director of Resources which sought:

- To appoint an advisory sub-committee of the West Yorkshire & York Investment Committee, the Investment Panel.
- To appoint members to the Investment Panel.
- To appoint the chair of the Investment Panel.

It was reported that WYCA had previously considered as part of the review of Leeds City Region governance arrangements the integration of LEP Panels into WYCA's decision making structure. It was proposed that the LEP's Investment Panel be appointed by the West Yorkshire and York Investment Committee as an advisory sub-committee with effect from 1 September 2017.

The terms of reference and membership for the Panel were attached at Appendices 1 and 2 of the submitted report. It was noted that there were currently two vacancies in respect of the private sector representatives and a recruitment exercise would need to be undertaken. It was proposed that this would be included in a wider recruitment exercise for the vacancies across all the new advisory Panels and the Head of Legal and Governance Services has been given delegated authority by WYCA to facilitate this. It was proposed that the process included any recruitment necessary for the Investment Panel in due course. Any further appointments would be made by the Committee. Members asked to be provided with details of the private sector vacancies and recruitment process so that they could circulate these to their contacts in the business community.

Resolved:

- (i) That the Investment Panel be appointed on the terms of reference set out in Appendix 1 to the submitted report with effect from 1 September 2017, and with a quorum of 4 voting members, to include 1 WYCA member or local authority co-optee and 1 private sector representative.
- (ii) That in accordance with S17 Local Government and Housing Act 1989 WYCA members be appointed to the Investment Panel, as set out in Appendix 2 to the submitted report and other voting members to the Panel as set out in that Appendix.
- (iii) That Councillor Judith Blake be appointed as Chair of the Investment Panel with effect from 1 September 2017.
- (iv) That authority be delegated to the Head of Legal and Governance Services to facilitate a recruitment exercise in respect of any private sector vacancies arising on the Panel, with any appointments to be made by the Committee in due course.

- (v) That members of the Committee be provided with details of the private sector vacancies and recruitment process when available.
- (vi) That the Panel meets on the dates set out in the calendar considered by WYCA at the Annual Meeting.

6. **Leeds City Region Growth Deal Delivery**

The Committee considered a report of the Director of Delivery which provided an update on progress made towards the achievement of Key Performance Indicators and on the implementation of the Growth Deal programme.

Members discussed changes which had been made to the Key Performance Indicators (KPIs) which had previously been considered by the Committee and the resourcing issues to be addressed in order to deliver projects within the timeframe. Details were highlighted in Annex A, Leeds City Region Action Plan, which was circulated at the meeting and included targets and milestones.

The Growth Deal Dashboard and Pipeline were attached at Appendix 1 and 2 of the submitted report. It was noted that the forecast spend was currently £95.34m against the annual target of £100.15m; this reduction was due to the changes made to forecast expenditure and the shortfall will be addressed through changes in project spend during the year and the development of projects in the pipeline.

The Committee noted the 4 projects currently assessed as red rated and these would be considered at a future meeting.

Resolved:

- (i) That the changes to the KPIs as detailed in Annex A, which was circulated at the meeting, be noted.
- (ii) That the progress towards achievement of the KPIs and the implementation of the Growth Deal be noted.

7. **Capital Spending & Project Approvals**

The Committee considered a report on proposals for the progression of, and funding for, a number of West Yorkshire plus Transport Fund and Growth Deal projects at Stages 1, 2 and 3 of the Assurance Process.

Members considered the following schemes which were detailed in the submitted report:

West Yorkshire Plus Transport Fund Transformational Schemes - Wakefield South Featherstone Link Road	Activity 2 (Case Paper)
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West Yorkshire Plus Transport Fund Transformational Schemes - York Outer Ring Road Dualling	Activity 2 (Case Paper)
West Yorkshire Plus Transport Fund Transformational Schemes - North Kirklees Orbital Route	Activity 2 (Case Paper)
WYCA's Portfolio Information Management System	Decision Point 3 (Outline Business Case)
Harrogate Road New Line – Change Request	Activity 4 (Full Business Case)

Members discussed the WY+TF Transformational Schemes. It was agreed that in order to build on their success, it would be beneficial for case studies to be prepared for consideration at a future meeting.

The Committee was advised that the following the last meeting, decisions regarding the following two schemes had been exercised through delegation to WYCA's Managing Director:

New Bolton Woods	Decision Point 4 (Full Business Case)
A629 Phase 1a	Decision Point 5 (Full Business Case with Finalised Costs)

Details of both schemes were outlined in the submitted report and summaries of the business cases were attached as appendices.

Resolved:

- (i) That in respect of **West Yorkshire Plus Transport Fund Transformational Schemes - Wakefield South Featherstone Link Road**, the Investment Committee recommends to WYCA that funding of £284k is approved for the Wakefield South Featherstone Link Road scheme to progress through Decision Point 2 and develop a Strategic Case for the Transformational Project. In addition, that Investment Committee recommends to WYCA that WYCA enter into a Funding Agreement with Wakefield Council for expenditure of up to £284K from the West Yorkshire Plus Transport Fund.
- (ii) That in respect of **West Yorkshire Plus Transport Fund Transformational Schemes - York Outer Ring Road Dualling**, the Investment Committee recommends to WYCA that funding of £295k is approved for the York Outer Ring Road Dualling scheme to progress through Decision Point 2 and develop a Strategic Case for the Transformational Project. In addition, that Investment Committee recommends to WYCA that WYCA enter into a Funding Agreement with York Council for expenditure of up to £295K from the West Yorkshire Plus Transport Fund.
- (iii) That in respect of **West Yorkshire Plus Transport Fund Transformational Schemes - North Kirklees Orbital Route**, the Investment Committee

recommends to WYCA that funding of £248k is approved for the North Kirklees Orbital Route scheme to progress through Decision Point 2 to develop a Strategic Case for the Transformational Project. In addition, that the Investment Committee recommends to WYCA that WYCA enter into a Funding Agreement with Kirklees Council for expenditure of up to £248K from the West Yorkshire Plus Transport Fund.

- (iv) In respect of **WYCA's Portfolio Information Management System**, the Investment Committee recommends to WYCA that:
- the Portfolio Information Management System (PIMS) proceeds through Decision Point 2 onto Stage 2 Activity 5 (Full Business Case with Finalised Costs).
 - an indicative approval to the total project value of £150k capital for the development of the system and £50k per annum on-going licence fee (the on-going licence fee will be required from 18/19 onwards), to be funded as an overhead cost from the overall Portfolio Management Office costs, is given. Ultimate approval to spend will be granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with finalised costs).
 - the future approvals at Decision Point 5 are made through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This approval route will be subject to the scheme remaining within the tolerances outlined above.
- (v) That in respect of the **Harrogate Road New Line – Change Request** the scheme's additional development costs of £972,000 are approved in order to progress the scheme to Decision Point 4 and that WYCA amend the existing Funding Agreement with Bradford Council for expenditure of up to £1,300,000 to be funded from the WY+TF. That the scheme will return to Investment Committee and WYCA at Decision Point 4 (Full Business Case).

8. Skills Shortage in Leeds City Region

The Committee considered a report of the Director of Resources in respect of the plan being developed to address the skills shortage in Leeds City Region and to consider progressing the project to the next stage.

It was recognised that there was a Project Management (and Digital Programmer/Data Analyst) skills shortage across the West Yorkshire region and a national shortage of civil engineers. The Committee debated the challenges faced by WYCA and the District Councils in recruiting and retaining the right people to deliver the schemes and the short and medium term solutions being proposed to address this were outlined in the submitted report. Members also discussed the importance of continuing professional development (CPD), the need to promote WYCA's role more widely, collaborative working with partners and apprenticeships including the use of the apprenticeship levy.

Members considered an Action Plan which outlined the work being undertaken and planned actions. It was suggested that WYCA liaise with the Regional Flood & Coastal Committee who were also experience skills shortages and considering a similar approach to address the issue.

It was agreed that work would continue to develop the strategy and a progress report would be provided to the meeting scheduled for 9 November 2017.

Resolved: That a strategy be developed to address the skills shortage in the Leeds City Region and an update be provided to the meeting of the Committee scheduled for 9 November 2017.

Director: Angela Taylor, Director of Delivery
Author: Elizabeth Davenport



Report to: West Yorkshire and York Investment Committee

Date: 6 September 2017

Subject: Investment Panel - Governance Issues

1 Purpose

- 1.1 To ask the Investment Committee to consider:
- a change of name for the Investment Panel; and
 - an interim appointment to the Investment Panel.

2 Information

- 2.1 At its meeting on 12 July, the Investment Committee appointed an advisory sub-committee, the Investment Panel, with effect from 1 September 2017. This was in the context of the on-going review of Leeds City Region governance arrangements, which resulted in the integration of LEP Panels into WYCA's decision making structure at WYCA's annual meeting. Until 1 September, the Investment Panel continued to meet as a LEP Panel.
- 2.2 To better distinguish the Panel from Investment Committee, it is now proposed that the name of the Panel is changed to the Business Investment Panel.
- 2.3 Members of the Panel were also appointed by the Investment Committee at the meeting on 12 July, with effect from 1 September. As a result of recent vacancies arising over the summer only two of the anticipated four private sector representatives were appointed at that time with two further appointments highlighted as to be appointed in due course.
- 2.4 It is anticipated that a wide recruitment exercise will be conducted during the autumn to address vacancies across the Panels which will include the Investment Panel vacancies. However, given the particular role of the Investment Panel there is a more pressing need for a more immediate appointment to ensure that the Panel has the appropriate expertise in place for the intervening meetings. It is therefore proposed that an interim private sector member is appointed to the Investment Panel, given the on-going vacancies.
- 2.5 WYCA has received an expression of interest from an employee of a national bank, with significant debt and equity experience, to act as an Investment Panel member. It is therefore proposed that the Managing Director be delegated authority to

appoint one private sector representative to the Panel on an interim basis (pending the completion of wider recruitment exercise), and subject to consultation with

- the Chair of the Panel, and
- the WYCA LEP Member (who is also a member of the Investment Panel and will interview the prospective private sector representative, supported by key Officers).

3 Financial Implications

3.1 None

4 Legal Implications

4.1 None

5 Staffing Implications

5.1 None

6 External Consultees

6.1 The change of name has been discussed by the Investment Panel, and the proposed change is endorsed by the Panel Chair, and the WYCA LEP Member.

7 Recommendations

7.1 The Investment Committee is asked to resolve to:

- change the name of the Investment Panel to the Business Investment Panel; and
- delegate authority to the Managing Director to appoint one private sector representative to the Business Investment Panel on an interim basis (pending completion of the review of the Panels' membership) subject to consultation with
 - the Chair of the Panel, and
 - the WYCA LEP Member.

8 Background Documents

8.1 None

Director: Melanie Corcoran,
Director of Delivery
Author: Lynn Cooper



Report to: West Yorkshire and York Investment Committee

Date: 6 September 2017

Subject: Leeds City Region Growth Deal Delivery

1. Purpose

- 1.1. To update the Committee of progress made towards the achievement of Key Performance Indicators (KPIs) and on the implementation of the Growth Deal programme.
- 1.2. The report also sets out an overview of the Call for Projects and the current situation in defining the Growth Deal Impact Sites.

2. Key Performance Indicators

- 2.1. The attached **Appendix 1** details the seven KPIs agreed with the Government relating to the monitoring of the Growth Deal in the first six months of 2017/18. Four of the seven KPIs have now been achieved and the remaining KPIs are on track for full delivery.

3. Growth Deal Expenditure and Delivery

- 3.1. The table below details programme expenditure totalling £11.42m to end July 2017 (note: this now includes payment by WYCA against WY+TF claims for the first quarter of the year). The profiled expenditure for the first two quarters to end of September 2017/18 is £17.98m, 64% of this has been achieved as at the end of July 2017.

	Target spend 2017/18	Target Spend Quarter 2	Spend to end July 2017	% of 2017/18 target
Priority 1 - Business	£13.52m	£2.04m	£5.19m	38.4%
Priority 2 - Skills Capital	£29.33m	£8.27m	£2.47m	8.4%
Priority 3 - Environmental Infrastructure	£8.07m	£0.88m	£0.24m	2.9%
Priority 4a - Housing & Regeneration	£3.87m	£0.96m	£0.23m	5.9%

Priority 4b - West Yorkshire + Transport Fund	£37.46m	£5.83m	£3.29m	8.7%
Priority 4c - Flood Resilience	£2.00m	£0	£0	
Priority 4d - Enterprise Zones	£4.00m	£0	£0	
WYCA Programme Management	£1.90m	£0	£0	
Total	£100.15m	£17.98m	£11.43m	11.4%

3.2. The attached Growth Deal Dashboard at **Appendix 2** and Growth Deal Pipeline at **Appendix 3** detail the latest forecast expenditure and provide a RAG rating of each project. The target expenditure for the 2017/18 is £100.15m, the current forecast against this target £97.52m, this is expected to increase as further projects are approved.

3.3. The following projects are RAG rated as Red and represent a risk to the delivery of the Programme:

- Hebden Bridge Rail Park and Ride**
 Whilst some initial works have been undertaken the commencement of the main scheme has been delayed awaiting action by Network Rail. The scheme will not now commence until at least January 2018.
- Leeds Station Gateway – New Station Street**
 Project has been delayed awaiting appointment of subcontractor by Network Rail, this appointment has now been made and it is expected that the project will now progress.
- Urban Traffic Management Centre (UTMC)**
 Discussions are ongoing between local authority partners on the management arrangements for this Centre. The project will progress once agreement has been reached.
- Rail Parking Package – Shipley Station and Steeton and Silsden Station**
 Projects are both delayed awaiting the issue of Asset Protection Agreement's by Network Rail.
- A650 Hard Ings Road and Harrogate New Line**
 Both of these projects are subject to Public Enquiry and will not progress further until these have been concluded. The Public Enquiry for the A650 Hard Ings Road is set for 31 January 2018.
- WY+TF Pipeline**
 Forecast spend to the value of £16.36m included within the WY+TF pipeline still requires formal approval through the Assurance Process.

3.4. Three projects that are currently RAG rated at Red are now progressing through the Assurance Process, proposed approvals and actions on each are included within the Capital Spending and Project Approvals Report, these are: **Huddersfield Incubation and Innovation Unit, Energy Accelerator, Leeds District Heat Network.**

4. Cost of Managing the Portfolio

- 4.1 Accounting regulations and WYCA's accounting policies allow for costs to be capitalised when they are an intrinsic part of creating and bringing an asset to working condition. This can and does include project management costs and other professional fees and preparatory work necessary to bring the asset into use. In establishing the new Delivery directorate with the required capacity it was recognised that these costs would be capitalised. Where possible individual projects will include the costs of dedicated project managers and associated professional costs. However there are a number of costs that cannot be as simply allocated against a project such as the PMO team, the Feasibility and Assurance team and senior managers who are driving a number of projects at different stages. It is proposed that these are recovered against projects in the portfolio in proportion with the direct costs allocated.
- 4.2 For 2017/18 there is an expected spend of £145m across the full portfolio (including Growth Deal, Local Transport Plan (LTP), National Productivity Investment Fund (NPIF), Leeds Public Transport Investment Programme (LPTIP)). Direct costs are circa £1.5m in a full year with indirect at a similar level. In percentage terms this is well within acceptable levels for capitalisation and leaves some capacity for charging overhead costs from across the rest of the organisation, in particular the support teams whose costs are linked to the size of teams and volumes of work across WYCA. It is initially proposed that up to £1.5m be recovered in the same way as set out in paragraph 4.1.

5. Call for Projects

- 5.1. The West Yorkshire Combined Authority (WYCA) and Leeds City Region Enterprise Partnership (LEP) have issued an open call for proposals that can make a strategic impact across the city region: a growing, more inclusive and productive economy, with the greatest benefits felt by the most disadvantaged. Proposals can address direct or indirect determinants of inclusive growth.
- 5.2. The Call for Projects was issued on 23 August following circulation of a draft document to Directors of Development and Investment Committee Members to agree scope and content. Due to the requested timescales from Investment Committee Members for WYCA to present the outcomes of the Call to the 31 October Investment Committee workshop, a very tight turnaround was required with a return date of 25 September. WYCA will then review the submissions, with wider support as required.
- 5.3. While there is no available/allocated funding at present, there are several potential opportunities:
- **LCR Growth Deal programme pipeline** – this £516.35m capital funding programme is currently fully committed. WYCA is, however, keen to identify potential replacement projects to include in a pipeline/reserve list should projects be withdrawn or an underspend occur within our existing programme. The principal interest is in receiving proposals that can be delivered by March 2021 and will directly contribute to the delivery of Growth Deal targets by 31 March 2025:

- 19,595 jobs created
 - 2,300 new homes
 - £1.3bn Public/Private investment
 - Contribution to GVA/increased productivity
- **Northern Cultural Regeneration Fund** – a £15m competitive pot for the eleven Northern LEPs to be delivered by March 2021. Each LEP can put forward only one single scheme (up to £4m, not exceeding 70% of total capital costs) that encourages sustainable cultural and creative regeneration in the North of England and benefits areas in the North of England that have historically had low levels of cultural and creative investment. Further information is available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/635574/Northern_Cultural_Regeneration_Fund_guidance_for_LEPs_July_2017_Final.pdf
 - **LCR Business Rates Pool** – this funding (historically around £3m-4m per year, but volatile) is used alongside other city region funding mechanisms to maximise overall investment in city region priorities and where impacts accrue across multiple districts. It does not finance long-term capital investment because of the inherent volatility of receipts. Further information is available at: <http://www.leeds.gov.uk/council/Pages/Leeds-City-Region-business-rates-pool.aspx>
 - **Other sources** of funding that may become available in the future (e.g. funds potentially linked to devolution, Industrial Strategy and/or the Shared Prosperity Fund that will take on the role currently played by European investment).
- 5.4. Some of the above funds are not governed by WYCA and they each have a different status and focus (for example, size of investments, delivery schedule, core outputs, etc.).
- 5.5. Potential project promoters have been offered two options for submitting information about their project:
1. **Growth Deal pipeline:** Where promoters believe the Growth Deal programme pipeline may be an appropriate funding stream and more detailed project information is available, a WYCA Expression of Interest (EoI) template should be completed;
 2. **Other sources:** We are interested in proposals or ideas for other projects that, for example, could form part of a Leeds City Region funding bid to government should future opportunities arise. Promoters wishing to submit project ideas are required to submit a brief summary of their proposal using a separate pro-forma.
- 5.6. The information collected at this stage will be used by WYCA to undertake a high level assessment of relevance to appropriate city region funding opportunities, and the strategic and economic case for investment and project deliverability.

6. Impact Sites

- 6.1 At the meeting on 16 June 2017 the Committee were provided with an update on the performance of the programme in relation to outputs. It was noted that a number of the projects within the programme will, by their nature, only achieve these outputs indirectly. An example of this is that transport projects will not create sustainable jobs or new homes themselves but will instead open up areas where new jobs and homes will be created. In order to be able to claim these outputs all LEP's must identify Growth Deal impact sites which are to be mutually agreed with the Government.
- 6.2 Work has been ongoing to map all of the Growth Deal projects in preparation for agreeing the proposed impact sites. The next step will be to agree how overlapping areas of impact will be agreed, as separate areas or as one area which will demonstrate overall impact of various projects. This exercise is now being informed through on-going discussions with SQW who, as reported to the June 2017 Committee, have been commissioned as the Independent Panel to evaluate the impact of City Deals, Growth Deals and Devolution Deals across the UK including the WY+TF. These discussions will be key to ensuring that the LCR approach in identifying impact areas is consistent with the approaches being adopted elsewhere in the Country.

7. Financial Implications

- 7.1. As set out in the report.

8. Legal Implications

- 8.1. There are none arising directly from this report.

9. Staffing Implications

- 9.1. There are none arising directly from this report.

10. Recommendations

- 10.1. It is recommended that the Investment Committee notes the progress towards achievement of the KPI's and the implementation of the Growth Deal.
- 10.2. It is recommended the capitalisation proposals set out in paragraphs 4.1 and 4.2 be endorsed and recommended to WYCA for approval.

11. Background Documents

- 11.1. None.

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Growth Deal Key Performance Indicators

<p>WYCA is undergoing a One Organisational design process. Business cases for Delivery and Policy and Strategy teams were approved in March / April 2017. These include 8 programme management posts, 11 project definition / development posts and 22 project management posts.</p> <p>KPI 1 - 75% of these posts will be filled by end June. Remaining posts will either be recruited internally or externally appointed by end September.</p>	<p>Achieved</p> <p>The new structure for the Delivery Directorate has now been finalised and all posts that could be filled through internal slotting as well as a number of internal promotions were achieved by end of June, this represented 82% of the Delivery Directorate posts. A further 11 posts are in Policy, Strategy and Resources, 9 (82%) of these had been filled by the end of June 2017. Whilst the KPI has been achieved the aim is to ensure the full structure is populated as soon as possible, to this end all vacant posts are being recruited, firstly through internal advert for one week, where the posts were not filled a major recruitment exercise commenced with an advert in the Guardian on 29 July 2017 covering all remaining vacant posts.</p>
<p>WYCA and project sponsors (LAs) have identified a need for between 20 and 25 FTE posts to accelerate project development and address specific skills gaps. This resource requirement will be met via direct recruitment and, where gaps remain, through recruitment of a strategic partner.</p> <p>KPI 2 – At least 10 appointments will be made, and a decision taken on how to cover remaining gaps (including possible appointment of a strategic partner to provide consultancy support), by end of July. A strategic partner (or equivalent) will be appointed by end of September.</p>	<p>Achieved</p> <p>Appointments have been made by individual authorities (York 3, Bradford 1), however a further 6 job offers have been made through the recruitment company that has been appointed. These six appointees commence in post: August/September.</p> <p>A mini-tender seeking to provide development/delivery capacity is to be issued through the WYCA Professional Services Framework shortly. This will be seeking resource to support specific projects within the WY+TF.</p>
<p>WYCA and LAs have identified a need to boost capacity to drive housing and regeneration projects in to full development (ie. beyond initial feasibility/demolition/enabling works).</p> <p>KPI 3 – WYCA and LAs, with the HCA where appropriate, will identify by end June the additional capacity required to accelerate the delivery of housing and regeneration projects (and associated housing and employment outputs). Arrangements to address the identified capacity gap will be in place by end of September.</p>	<p>Review has been undertaken of the individual projects within the Housing and Regeneration priority to identify where progress can be made through WYCA and local authority actions.</p> <p>The plan/proposal to provide capacity to develop pipeline projects has been developed.</p>
<p>The Leeds City Region Growth Deal Programme to 2020/21 includes Government funding of</p>	<p>Achieved</p>

<p>£516.35m, £247.7m (48%) of this had been approved as at March 2017.</p> <p>KPI 4 – An additional £26m of growth deal projects will be fully approved and ready to move in to delivery* by end September, increasing the total value to £273.7m (53%) of the programme.</p> <p>*projects approved at decision point 5, with full business cases and finalised costs</p>	<p>Projects / Programmes agreed at Decision Point 5 to date: A629 Halifax to Huddersfield Corridor Phase 1a £8.5m Tackling Fuel Poverty Phase 4 - £1.07m Strategic Inward Investment Fund £12.45m Business Growth Programme £9m Total £31.02m</p> <p>Projects/Programmes progressing to DP5 by end September: Digital Sector Soft Landing Scheme £1m</p> <p>The current approval level is £295m (57% approved against Growth Deal allocation), this includes approvals at Decision Point 2 of development costs on a number of WY+TF projects.</p>
<p>KPI 5 – 7* additional projects will commence by end September 2017 and 10** projects will be completed during Quarters 1 & 2.</p> <p>*Commencing – East Leeds Housing Growth - brownfield sites, York Guildhall, rail station car parks at Hebden Bridge and Fitzwilliam, Strategic Inward Investment Fund, Digital Soft Landing Scheme and Business Growth Programme.</p> <p>** Completing - four skills capital projects (Leeds Printworks, Wakefield College, Selby College, Bradford College) plus Wakefield Eastern Relief Road, South Elmsall and Aire Valley Rail Park and Ride schemes, Wakefield Civic Quarter, and Leeds and Skipton flood alleviation schemes.</p>	<p>Commencing – majority of projects currently on track: the Strategic Inward Investment Fund has commenced, Fitzwilliam Station Car Park due on site 4 September, Digital Sector Soft Landing Scheme due to commence before the end of September, Business Growth Programme has now commenced.</p> <p>Issues currently with Hebden Bridge Car Park, whilst some work has commenced there has been a delay to the full start due to external factors.</p> <p>Completed – Selby College and Bradford College, Wakefield Eastern Relief Road, Aire Valley Park and Ride, South Elmsall, Leeds and Skipton Flood Relief projects, 7 projects. The three remaining projects are on track.</p>
<p>KPI 6 – 250 further jobs will be delivered by end September 2017, bringing the lifetime total so far to 2,850.</p>	<p>Achieved Total jobs created achieved as at end July 2017 is 2,980. 380 additional jobs have been created since end March 2017.</p>
<p>KPI 7 – A further £20m LGF will be defrayed by end September, and the LEP/WYCA will confirm that they are on track at the mid-year review to spend the £100m planned expenditure in 2017/18 (139% of GD1-3 allocation).</p>	<p>Expenditure defrayed by WYCA at end July 2017 £11.43m.</p> <p>The current forecast spend on the WY+TF in Q2 is £9.4m by the end of September 2017, this would mean that the target would be exceeded.</p>

Growth Deal dashboard

Figures accurate up to:	End of July 2017
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2017/18	£100,154,776	Total Outturn Forecast	£97,525,084
Target		Actual	£11,430,844

Project name	Project responsibility	Previous years spend		In-year spend and RAG rating (2017/18)						Future forecast spend			TOTAL spend (actual + forecast)
	Senior Responsible Officer	2015/16	2016/17	Agreed annual allocation	Actual spend to date (July 2017)	Forecast spend (August 17 to Mar 18)	Total of actual and forecast		RAG rating	2018/19	2019/20	2020/21	
Business Growth Programme	Sue Cooke	£6,660,742	£8,337,742	£3,001,516	£1,128,926	£3,872,590	£5,001,516		GREEN	£2,500,000	£2,500,000	£2,000,000	£27,000,000
Access to Capital Grants Programme	Sue Cooke	£0	£1,513,095	£1,671,020	£3,480,158	£960,510	£4,440,668		GREEN	£3,248,745	£3,248,745	£3,248,747	£15,700,000
Huddersfield Incubation & Innovation Programme	Liz Townes-Andrews	£0	£0	£2,983,986	£978	£2,922,000	£2,922,978		RED	£0	£0	£0	£2,922,000
Leeds University Innovation Centre	Ceri Williams	£0	£2,416,585	£613,415	£583,415	£0	£583,415		GREEN	£0	£0	£0	£3,000,000
Business Expansion Fund - Strategic Inward Investment Fund	Sue Cooke	£0	£0	£5,250,000	£0	£1,071,136	£1,071,136		GREEN	£2,608,504	£4,098,740	£4,671,620	£12,450,000
Business Expansion Fund - Digital Sector Soft Landing Scheme	Sue Cooke	£0	£0		£0	£116,636	£116,636		GREEN	£308,504	£338,740	£236,120	£1,000,000
Priority 1: Growing Business		£6,660,742	£12,267,422	£13,519,937	£5,193,477	£7,755,100	£14,019,713			£8,357,249	£9,847,485	£9,920,367	£61,072,000
Round 1 - Shipley College Mill	Nav Chohan	£119,000	£0	£0	£0	£0	£0		COMPLETE	£0	£0	£0	£119,000
Round 1 - Leeds City College Printworks	Jane Pither/Lydia Devenny	£933,800	£7,794,608	£270,167	£0	£269,950	£269,950		GREEN	£0	£0	£0	£8,998,358
Round 1 - Calderdale College	Denise Cheng Carter	£2,000,000	£2,977,000	£0	-£14,333	£0	-£14,333		COMPLETE	£0	£0	£0	£4,962,667
Round 1 - Kirklees College	Ian Webster	£3,000,996	£100,001	£0	£0	£0	£0		COMPLETE	£0	£0	£0	£3,100,997
Round 2a - Wakefield College	John Foster	£0	£3,327,133	£0	-£99,814	£0	-£99,814		N/A	£0	£0	£0	£3,227,319
Round 2a - Selby College	Liz Ridley	£0	£693,748	£0	-£20,812	£0	-£20,812		N/A	£0	£0	£0	£672,936
Round 2a - Shipley College Salt Building	Nav Chohan	£0	£300,000	£0	-£9,000	£0	-£9,000		N/A	£0	£0	£0	£291,000
Round 2a - Bradford College	Andy Welsh	£0	£250,000	£0	-£7,500	£0	-£7,500		N/A	£0	£0	£0	£242,500
Round 2b - Leeds College of Building	Ian Billyard	£0	£1,263,639	£7,886,362	£79,937	£4,892,807	£4,972,744		AMBER	£5,555,686	£150,000	£0	£11,942,069
Round 2b - Leeds City College Quarry Hill	Jane Pither/Lydia Devenny	£0	£10,045,152	£14,774,848	£978,368	£14,487,789	£15,466,157		GREEN	£5,884,682	£2,004,000	£0	£33,399,991
Round 2b - Kirklees College Learning Quarter	Ian Webster	£0	£3,367,457	£6,396,761	£1,564,403	£5,522,085	£7,086,488		GREEN	£667,273	£0	£0	£11,121,217
Priority 2: Skilled People, Better Jobs		£6,053,796	£30,118,737	£29,328,138	£2,471,248	£25,172,631	£27,643,879			£12,107,641	£2,154,000	£0	£78,078,053
Resource Efficiency Fund	Sue Cooke	£0	£0	£323,721	£83,721	£240,000	£323,721		GREEN	£251,163	£145,116	£0	£720,000
Energy Accelerator	Jacqui Warren	£0	£0	£490,986	£0	£476,789	£476,789		RED	£123,211	£0	£0	£600,000
Leeds District Heat Network	Neil Evans	£0	£8,345	£4,867,923	£0	£0	£0		RED	£6,991,655	£0	£0	£7,000,000
Tackling Fuel Poverty	Liz Courtney	£0	£781,414	£2,392,200	£160,864	£2,315,424	£2,476,288		GREEN	£2,742,297	£0	£0	£6,000,000
Priority 3: Clean Energy and Economic Resilience		£0	£789,759	£8,074,830	£244,585	£3,032,213	£3,276,798			£10,108,326	£145,116	£0	£14,320,000
East Leeds Housing Growth - Red Hall	Martin Farrington	£2,000,000	£2,000,000	£0	£0	£0	£0		N/A	£0	£0	£0	£4,000,000
East Leeds Housing Growth – Brownfield Sites	Martin Farrington	£0	£1,100,000	£0	£0	£0	£0		N/A	£0	£0	£0	£1,100,000
Halifax Town Centre (Northgate House)	Mark Thompson	£300,000	£0	£0	£0	£0	£0		N/A	£1,000,000	£0	£0	£1,300,000
One, City Park, Bradford	Steve Hartley	£400,000	£0	£0	£0	£0	£0		N/A	£1,600,000	£2,200,000	£1,000,000	£5,200,000
Barnsley Town Centre	David Shepherd	£1,757,000	£0	£0	£0	£0	£0		N/A	£0	£0	£0	£1,757,000
Kirklees Housing sites	Naz Parker	£200,000	£205,000	£104,000	£0	£104,000	£104,000		GREEN	£191,000	£300,000	£0	£1,000,000
Bath Road, Leeds	Martin Farrington	£580,000	£0	£0	£0	£0	£0		N/A	£0	£0	£0	£580,000
Bradford Odeon	Steve Hartley	£0	£0	£0	£0	£0	£0		N/A	£325,000	£0	£0	£325,000
Forge Lane, Kirklees	Paul Kemp	£0	£0	£0	£0	£0	£0		N/A	£4,620,000	£0	£0	£4,620,000
York Central	Neill Ferris	£0	£1,421,500	£1,128,500	£0	£1,128,500	£1,128,500		GREEN	£0	£0	£0	£2,550,000
Wakefield Civic Quarter	Andy Wallhead	£0	£0	£1,085,000	£0	£1,085,000	£1,085,000		GREEN	£15,000	£0	£0	£1,100,000
York Guildhall	Neill Ferris	£0	£791,500	£1,556,000	£234,500	£1,321,500	£1,556,000		GREEN	£0	£0	£0	£2,347,500
New Bolton Woods	Shelagh Crossley	£0	£0	£0	£0	£195,000	£195,000		GREEN	£3,405,000	£0	£0	£3,600,000
Balance of available funding		£0	£0	£0					N/A	£6,105,435	£2,011,437	£1,256,238	£9,373,110
Priority 4a: Housing and Regeneration		£5,237,000	£5,518,000	£3,873,500	£234,500	£3,834,000	£4,068,500			£17,261,435	£4,511,437	£2,256,238	£38,852,610
Wakefield Eastern Relief Road	Neil Rodgers	£15,284,765	£14,435,236	£0	£0	£0	£0		COMPLETE	£0	£0	£0	£32,019,001

Aire Valley Park and Ride	Gary Bartlett	£0	£5,705,149	£3,123,453	£1,278,397	£1,348,564	£2,626,961	GREEN	£715,000	£0	£0	£9,047,110
Wakefield City Centre - Phase 1 Kirkgate	Neil Rodgers	£0	£76,972	£0	£717,249	£2,764,774	£3,482,023	GREEN	£1,085,278	£0	£0	£4,644,273
South Elmsall Rail Car Parking Extension	Melanie Corcoran	£0	£120,000	£0	£0	£488,329	£488,329	GREEN	£0	£0	£0	£608,329
A629a Phase 1A - Jubilee Road to Free School Lane & monitoring	Mark Thompson	£0	£0	£0	£0	£2,920,020	£2,920,020	GREEN	£2,425,798	£0	£0	£5,345,818
Fitzwilliam - Rail Park and Ride	Neil Rogers	£0	£0	£0	£0	£467,386	£467,386	GREEN	£209,540	£0	£0	£676,926
Hebden Bridge - Rail Park and Ride	Melanie Corcoran	£0	£0	£0	£0	£582,358	£582,358	RED	£0	£0	£0	£582,358
Priority 4 WYTF pipeline	Development	£2,739,455	£5,829,389	£34,334,918	£1,291,388	£22,872,862	£24,164,249	RED	£6,715,335	£3,974,999	£734,374	£44,157,801
	Delivery	£0	£0	£0	£0	£8,227,020	£8,227,020		£94,472,641	£181,945,066	£165,471,472	£450,116,199
Priority 4b (WYTF) WYCA Delivery Costs	Kate Thompson	£1,570,197	£1,354,748	£0	£0	£1,382,847	£1,382,847	N/A	£1,377,675	£1,530,717	£1,900,000	£9,116,184
Priority 4b: Transport		£19,594,417	£27,521,495	£37,458,371	£3,287,034	£41,054,160	£44,341,194		£84,142,894	£62,840,750	£42,459,250	£280,900,000
Mytholmroyd Flood Alleviation (GD3)	Adrian Gill	£0	£2,500,000	£0	£0	£0	£0	GREEN	£0	£0	£0	£2,500,000
Leeds Flood Alleviation (GD3)	Martin Farrington	£0	£3,786,981	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£3,786,981
Skipton Flood Alleviation (GD3)	Adrian Gill	£0	£1,500,000	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£1,500,000
Priority 4c: Pipeline	Adrian Gill			£2,000,000	£0	£2,000,000	£2,000,000	AMBER	£3,500,000	£4,500,000	£2,200,000	£12,200,000
Priority 4c: Flood Resilience		£0	£7,786,981	£2,000,000	£0	£2,000,000	£2,000,000		£3,500,000	£4,500,000	£2,200,000	£19,986,981
Leeds Aire Valley EZ	Martin Farrington			£4,000,000	£0	£0	£0	AMBER	£10,000,000	£0	£0	£10,000,000
LCR EZs M62 sites	TBC				£0	£275,000	£275,000	AMBER	£725,000	£4,000,000	£5,000,000	£10,000,000
Priority 4d: Enterprise Zone				£4,000,000	£0	£275,000	£275,000	£0	£10,725,000	£4,000,000	£5,000,000	£20,000,000
WYCA Delivery costs - non Tranport		£475,122	£765,373	£1,900,000	£0	£0	£1,900,000	N/A	£0	£0	£0	£3,140,495
Total Growth Deal expenditure		£38,021,077	£84,767,767	£100,154,776	£11,430,844	£83,123,104	£97,525,084		£146,202,546	£87,998,788	£61,835,855	£516,350,139

West Yorkshire Transport Fund pipeline

Figures accurate up to: July 2017

Project name	Project responsibility		Previous years spend			In-year spend and RAG rating (2017/18)				Future forecast spend			TOTAL spend (actual + forecast)
	Senior Responsible Officer	Category	Prior Years	2015/16	2016/17	Actual spend to date (July 2017)	Total forecast	Total Forecast outturn	RAG rating	2018/19	2019/20	2020/21	
Transport projects at Stage 2 that will commence in 2017/18													
A629 Phase 1a: Jubilee Road to Free School Lane & monitoring	Mark Thompson	Development	302,000	160,000	1,442,043	731,872	1,046,794	1,778,666	GREEN	-	-	-	2,950,837
		Delivery	-	-	-	-	2,921,020	2,921,020	GREEN	2,424,798	-	-	5,345,818
Leeds Station Gateway - New station Street	Liz Hunter	Development	-	-	41,036	-	106,500	106,500	RED	-	-	-	147,536
		Delivery	-	-	-	-	591,000	591,000	RED	1,000,000	-	-	1,591,000
Leeds ELOR and North Leeds Outer Ring Road	Gary Bartlett	Development	1,020,000	929,199	1,554,106	-	4,958,000	4,958,000	AMBER	1,123,767	273,769	251,855	10,110,696
		Delivery	-	-	-	-	-	-	AMBER	27,646,000	27,000,000	14,814,000	69,460,000
Aire Valley, Leeds Integrated Transport Package - Phase 1: Aire Valley P&R	Gary Bartlett	Development	269,000	277,672	245,500	-	-	-	na	-	-	-	792,172
		Delivery	-	-	-	-	-	-	na	-	-	-	-
Wakefield City Centre Package Phase 1 Kirkgate	Neil Rogers	Development	-	72,878	-	-	-	-	na	-	-	-	72,878
		Delivery	-	-	-	-	-	-	na	-	-	-	-
UTMC (formerly HNEP)	Richard Hadfield (Kirklees)	Development	-	-	29,011	-	130,030	130,030	RED	90,959	-	-	250,000
		Delivery	-	-	-	-	250,000	250,000	RED	1,550,000	2,000,000	-	3,800,000
Rail Parking Package - Mytholmroyd	Melanie Corcoran	Development	-	-	-	-	-	-	GREEN	-	-	-	-
		Delivery	-	-	-	-	640,000	640,000	GREEN	3,000,000	-	-	3,640,000
Rail Parking Package - Shipley	Melanie Corcoran	Development	-	-	-	-	-	-	RED	-	-	-	-
		Delivery	-	-	-	-	1,275,000	1,275,000	RED	1,275,000	-	-	2,550,000
Rail Parking Package - Steeton and Silsden	Melanie Corcoran	Development	-	-	-	-	-	-	RED	-	-	-	-
		Delivery	-	-	-	-	1,265,000	1,265,000	RED	1,265,000	-	-	2,530,000
Rail Parking Package - Mirfield	Melanie Corcoran	Development	-	-	-	-	-	-	AMBER	-	-	-	-
		Delivery	-	-	-	-	845,000	845,000	AMBER	845,000	-	-	1,690,000
Rail Parking Package - Normanton	Melanie Corcoran	Development	-	-	-	-	-	-	GREEN	-	-	-	-
		Delivery	-	-	-	-	440,000	440,000	GREEN	1,000,000	0	0	1,440,000
Transport projects at Stage 2 that will commence post 2017/18													
Bradford Interchange Station Gateway	Julian Jackson	Development	-	25,000	20,838	6,386	34,162	40,548	GREEN	0	0	0	80,000
		Delivery	-	-	-	-	-	-	GREEN	-	-	7,000,000	7,000,000
Bradford FS Station Gateway	Julian Jackson	Development	-	20,000	116,717	22,364	763,633	785,997	GREEN	1,832,719	1,152,245	-	3,885,314
		Delivery	-	-	-	-	-	-	GREEN	-	5,723,732	8,743,340	14,467,072
A650 Tong Street	Julian Jackson	Development	50,000	-	21,038	5,587	94,380	99,967	AMBER	19,582	-	-	185,000
		Delivery	-	-	-	-	-	-	AMBER	-	10,000,000	8,000,000	18,000,000
SE Bradford Access Rd	Julian Jackson	Development	-	-	-	-	91,008	91,008	GREEN	-	-	-	91,008
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Bradford to Shipley Corridor	Julian Jackson	Development	-	30,000	5,011	885	91,885	92,770	RED	187,104	-	-	314,000
		Delivery	-	-	-	-	-	-	RED	-	13,000,000	14,000,000	27,000,000
A650 Hard Ings Road - Phase 1: Hard Ings Road Only	Julian Jackson	Development	140,000	137,628	301,133	71,908	185,239	257,147	RED	-	-	-	764,000
		Delivery	-	-	-	-	-	-	RED	4,415,000	3,176,000	-	7,591,000
Harrogate Road New Line	Julian Jackson	Development	166,000	146,399	15,601	-	800,971	800,971	RED	154,000	-	-	1,282,971
		Delivery	-	-	-	-	-	-	RED	1,901,000	1,732,740	-	3,633,740
Halifax Station Gateway	Mark Thomson	Development	5,000	156,738	44,171	-	99,653	99,653	GREEN	-	-	-	305,562
		Delivery	-	-	-	-	-	-	GREEN	-	-	7,483,848	7,483,848
A641 Bradford - Huddersfield Corridor	Mark Thomson	Development	-	-	60,829	14,378	78,342	92,720	AMBER	-	-	-	139,171
		Delivery	-	-	-	-	-	-	AMBER	10,000,000	11,000,000	15,000,000	36,000,000
A629 Phase 1b: Elland Wood Bottom to Jubilee Road	Mark Thomson	Development	-	169,994	198,719	80,037	756,681	836,718	GREEN	-	-	-	1,125,394
		Delivery	-	-	-	-	-	-	GREEN	8,552,565	5,340,349	-	13,892,914
A629 Phase 2: Phase 2a, 2b and 2c	Mark Thomson	Development	340,000	44,591	280,192	189,208	1,761,009	1,950,217	GREEN	48,649	-	-	2,474,441
		Delivery	-	-	-	-	-	-	GREEN	8,578,039	11,883,471	13,474,071	33,935,581
A629 Phase 4: Ainley Top	Mark Thomson	Development	-	-	51,736	19,205	19,205	38,410	GREEN	-	-	-	70,941
		Delivery	-	-	-	-	-	-	GREEN	-	10,000,000	-	10,000,000
Huddersfield Station Gateway	Richard Hadfield	Development	-	27,615	22,385	-	-	-	AMBER	-	-	-	50,000
		Delivery	-	-	-	-	-	-	AMBER	-	5,000,000	-	5,000,000
A653 Leeds to Dewsbury Corridor (M2D2L)	Richard Hadfield	Development	80,000	-	59,261	16,750	70,739	87,489	AMBER	-	-	-	210,000
		Delivery	-	-	-	-	-	-	AMBER	2,000,000	10,500,000	-	12,500,000
M62 Junction 24a	Richard Hadfield	Development	-	-	12,976	-	57,024	57,024	AMBER	-	-	-	70,000
		Delivery	-	-	-	-	-	-	AMBER	-	18,500,000	-	18,500,000
A629 Phase 5 - Ainley Top into Huddersfield	Richard Hadfield	Development	-	52,000	48,000	15,615	101,515	117,130	GREEN	-	-	-	201,515
		Delivery	-	-	-	-	-	-	GREEN	-	2,546,975	2,038,112	4,585,087
A62 and A644 Corridors incorporating Cooper bridge	Richard Hadfield	Development	485,000	110,000	15,000	-	-	-	AMBER	-	-	-	610,000
		Delivery	-	-	-	-	-	-	AMBER	10,395,000	10,395,000	20,790,000	41,580,000
Leeds Station Gateway - Yorkshire Hub	Liz Hunter	Development	-	-	54,468	32,049	91,463	123,511	GREEN	115,000	95,000	44,519	400,450
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-

2017/18	£34,334,918	Total Outturn Forecast	£32,391,269
Target		Actual	£1,291,388

Thorpe Park Station	Liz Hunter	Development	-	-	3,382	-	190,000	190,000	GREEN	285,000	25,000	-	503,382
		Delivery	-	-	-	-	-	-	GREEN	-	-	5,000,000	5,000,000
A65-LBIA Link Road	Gary Bartlett	Development	210,000	8,688	266,812	-	324,500	324,500	GREEN	-	-	-	810,000
		Delivery	-	-	-	-	-	-	GREEN	1,597,239	1,722,799	2,469,603	5,789,641
A6110 Leeds Outer Ring Rd	Gary Bartlett	Development	-	-	-	-	286,000	286,000	AMBER	-	-	-	286,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Leeds City Centre Network and Interchange Package	Gary Bartlett	Development	319,000	31,337	278,000	-	800,000	800,000	AMBER	979,678	1,365,985	-	3,774,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	5,340,672	5,340,672
Castleford Station Gateway	TBC	Development	-	-	20,329	-	671	671	GREEN	-	-	-	21,000
		Delivery	-	-	-	-	-	-	GREEN	1,485,000	1,485,000	730,000	3,700,000
Wakefield City Centre Package Phase 2 Ings Road	Neil Rogers	Development	-	-	-	5,850	199,999	205,849	GREEN	70,001	-	-	270,000
		Delivery	-	-	-	-	-	-	GREEN	20,000	1,555,000	1,457,593	3,032,593
Glasshoughton Southern Link Road	Neil Rogers	Development	-	80,000	-	79,294	466,124	545,418	GREEN	186,876	-	-	733,000
		Delivery	-	-	-	-	-	-	GREEN	1,300,000	2,492,000	2,276,233	6,068,233
Castleford Growth Corridor Scheme	Neil Rogers	Development	-	67,000	73,917	-	59,083	59,083	AMBER	-	-	-	200,000
		Delivery	-	-	-	-	-	-	AMBER	2,223,000	8,892,000	5,960,000	17,075,000
CIP - Phase 1 - Leeds Fink Hill	Gary Bartlett	Development	-	-	-	-	115,000	115,000	AMBER	-	-	-	115,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Leeds Dyneley Arms	Gary Bartlett	Development	-	-	-	-	402,000	402,000	AMBER	-	-	-	402,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Leeds Dawsons Corner	Gary Bartlett	Development	-	-	-	-	1,008,000	1,008,000	AMBER	-	-	-	1,008,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Kirklees Holmfirth Town Centre	Richard Hadfield	Development	-	-	-	-	250,000	250,000	AMBER	-	-	-	250,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Kirklees Huddersfield Southern Gateways	Richard Hadfield	Development	-	-	-	-	300,000	300,000	AMBER	-	-	-	300,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Kirklees A62 Smart Corridor	Richard Hadfield	Development	-	-	-	-	250,000	250,000	AMBER	-	-	-	250,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Calderdale A58/A672 Corridor	Mark Thompson	Development	-	-	-	-	235,000	235,000	AMBER	-	-	-	235,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Calderdale A646/A6033 Corridor	Mark Thompson	Development	-	-	-	-	195,000	195,000	AMBER	-	-	-	195,000
		Delivery	-	-	0	-	0	0	AMBER	-	-	-	-
CIP - Phase 1 - Bradford A650 Shipley Airedale/A647 Leeds Road	Julian Jackson	Development	-	-	-	-	277,000	277,000	AMBER	-	-	-	277,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Thornton Road	Julian Jackson	Development	-	-	-	-	440,000	440,000	AMBER	-	-	-	440,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Toller Lane	Julian Jackson	Development	-	-	-	-	308,000	308,000	AMBER	-	-	-	308,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Great Horton Road	Julian Jackson	Development	-	-	-	-	220,000	220,000	AMBER	-	-	-	220,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
CIP - Phase 1 - Wakefield A650 Newton Bar	Neil Rogers	Development	-	-	-	-	75,000	75,000	AMBER	-	-	-	75,000
		Delivery	-	-	0	-	0	0	AMBER	-	-	-	-
Rail Park and Ride (Phase 1) Programme	Melanie Corcoran	Development	58,908	108,336	409,181	-	508,152	508,152	GREEN	-	-	-	1,084,577
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Rail Parking Package - Knottingley	Melanie Corcoran	Development	-	-	-	-	1,780,000	1,780,000	AMBER	-	-	-	1,780,000
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Rail Park and Ride (Phase 2) Programme	Melanie Corcoran	Development	-	-	137,997	-	-	-	GREEN	-	-	-	137,997
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Rail Park & Ride (Phase 2) - Apperley Bridge	Melanie Corcoran	Development	-	-	-	-	113,100	113,100	AMBER	-	-	-	113,100
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Rail Park & Ride (Phase 2) - Guiseley	Melanie Corcoran	Development	-	-	-	-	143,000	143,000	AMBER	-	-	-	143,000
		Delivery	-	-	0	-	0	0	AMBER	-	-	-	-
Rail Park & Ride (Phase 2) - Moorthorpe	Melanie Corcoran	Development	-	-	-	-	110,500	110,500	AMBER	-	-	-	110,500
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Rail Park & Ride (Phase 2) - Outwood	Melanie Corcoran	Development	-	-	-	-	110,500	110,500	AMBER	-	-	-	110,500
		Delivery	-	-	-	-	-	-	AMBER	-	-	-	-
Calder Valley Line Elland Station	TBC	Development	-	-	-	-	-	-	GREEN	-	-	-	-
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
York Central Access	Neil Ferris	Development	-	-	-	-	930,000	930,000	AMBER	771,000	339,000	60,000	2,100,000
		Delivery	-	-	-	-	-	-	AMBER	-	10,000,000	20,894,000	30,894,000
York Northern Outer Ring Road	Neil Ferris	Development	-	-	-	-	1,040,000	1,040,000	GREEN	556,000	624,000	220,000	2,440,000
		Delivery	-	-	0	-	0	0	GREEN	2,000,000	8,000,000	10,000,000	20,000,000
Corridor Improvement Programme (formerly HEBP)		Development	-	-	-	-	50,000	50,000	GREEN	100,000	100,000	158,000	408,000
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-
Transformational -South Featherstone Link Rd - Feasibility Study		Development	-	-	-	-	-	-	GREEN	-	-	-	-
		Delivery	-	-	0	-	0	0	GREEN	-	-	-	-
Transformational - Kirklees - North Kirklees Orbital Route - Feasibility Study		Development	-	-	-	-	248,000	248,000	GREEN	-	-	-	248,000
		Delivery	-	-	-	-	-	-	GREEN	-	-	-	-

Transformational -York Northern Outer Ring Road Dualling- Feasibility Study		Development	-	-	-		-	100,000	100,000		GREEN		195,000	-	-	295,000
		Delivery	-	-	0		-	0	0		GREEN		-	-	-	-
Development			3,444,908	2,716,980	5,829,389		1,291,388	22,872,862	24,164,249				6,715,335	3,974,999	734,374	44,157,801
Delivery			-	-	-		-	8,227,020	8,227,020				94,472,641	181,945,066	165,471,472	450,116,199
Total			3,444,908	2,716,980	5,829,389		1,291,388	31,099,882	32,391,269		-		101,187,976	185,920,065	166,205,846	494,274,000

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Director: Melanie Corcoran,
Director of Delivery
Author: Catherine Pinn



Report to: West Yorkshire and York Investment Committee

Date: 6 September 2017

Subject: Capital Spending and Project Approvals

1. Purpose

- 1.1 To put forward proposals for the progression of, and funding for, a number of WYCA supported projects, including West Yorkshire Plus Transport Fund (WY+TF) and Growth Deal, for consideration by the Investment Committee at Stages 1, 2 and 3 of WYCA's Assurance process.
- 1.2 This report presents proposals for the progression of the following schemes through WYCA's Assurance process in line with the Leeds City Region Assurance Framework. Further detail on the schemes summarised below can be found as part of this report.

A629 Phase 4 Halifax to Huddersfield Corridor Improvements	Decision Point 2 (Case Paper) Total Value - £30.000m Total Value of WYCA Funding - £30.000m Funding Recommendation sought – £0.570m	Development of a scheme which will deliver highway improvements at Ainley Top Roundabout and also implement strategic interventions across the A629 corridor to improve public transport journeys on this route.
Access Innovation Programme	Decision Point 2 (Case Paper) Total Value – £9.174m Total Value of WYCA Funding - £4.750m Funding Recommendation sought – £0m	A grant programme to support innovation activity in growth-orientated SMEs.
Strategic Business Growth Programme	Decision Point 2 (Case Paper) Total Value - £7.058m Total Value of WYCA Funding - £3.146m Funding Recommendation sought – £0m	A business support and grant programme, which will provide an integrated package of support to SMEs from priority sectors to assist them to grow and create employment opportunities.
Beech Hill, Halifax	Decision Point 2 (Case Paper) Total Value – £5.000m Total Value of WYCA Funding - £1.000m Funding Recommendation sought – £0m	A scheme that will clear and remediate land to the West of Halifax City Centre in order for the land to be attractive for future housing development.
Castleford Rail Station Gateway	Decision Point 3 (Outline Business Case) Total Value of scheme – £4.511m Total Value of WYCA Funding - £4.511m Funding Recommendation sought - £0.317m	A scheme that will enhance the existing Railway Station facilities and improve surrounding public realm to provide an attractive gateway to Castleford.
Energy Accelerator Programme	Decision Point 4 (Full Business Case) Total Value – £3.817m Total Value of WYCA Funding - £3.817m Funding Recommendation sought - £0.180m	A scheme that will offer specialist expertise to organisations in the development of low carbon projects in the City Region

Leeds District Heat Network	Decision Point 5 (Full Business Case with Finalised Costs) Total Value of scheme – £21.276m Total Value of WYCA Funding - £4.000m Funding Recommendation sought - £4.000m	A scheme that will provide reduced cost household heating by transferring heat created at the Aire Valley Recovery and Recycling Facility to customers in the north of Leeds City Centre through a network of underground super insulated pipework.
New Bolton Woods	Decision Point 5 (Full Business Case with Finalised Costs) Total Value of scheme - £25.731m Total Value of WYCA Funding for the scheme - £3.600m Funding Recommendation sought - £3.600m	A scheme which will remediate and prepare land on the Bradford Shipley Canal Road Corridor in order to facilitate the development of a mixed-use regeneration scheme on the site.

1.3 These schemes have a total combined funding value of £106.567m when fully approved, £54.824m of this amount will be funded by WYCA with the rest coming from other public sector or private sector contributions. The majority of schemes are still in development and are not seeking an expenditure recommendation as part of this report, however a total expenditure recommendation to the value of £8.667m is sought as part of this report for the development of the projects above.

1.4 This report also presents recommendations for the following schemes that have had exceptions reports assessed in line with WYCA's Assurance Process. Further detail on the schemes summarised below can be found as part of this report.

Leeds New Station Street	Activity 5 (Full Business Case plus finalised costs) Exception Total Value - £1.591m Total Value of WYCA Funding - £1.591m Funding Recommendation sought – £0m	Scheme to significantly improve the environment for pedestrians around the entrance to Leeds Station. Exception is to extend the timescales to completion on site to December 2018 from March 2018.
Huddersfield Incubation & Innovation Centre	Activity 6 (Delivery) Exception Total Value - £4.255m Total Value of WYCA Funding - £2.922m Funding Recommendation sought – £0m	Scheme focusing on digitalisation, design innovation and smart manufacturing, enabling firms to become faster, more responsive and closer to customers. Collaboration to provide the latest access to technologies in these sectors and provide a specialist incubator and grow-on space tailored to “wrap around” business support services. Exception to the project is that the private sector partner has withdrawn funding from the project, but many of the outputs remain or improve.
Tackling Fuel Poverty	Activity 6 (Delivery) Exception Total Value - £1.920m Total Value of WYCA Funding - £1.529m Funding Recommendation sought – £0m	Programme to address fuel poverty amongst some of the most vulnerable households in the Leeds City Region through a capital programme of energy efficiency improvements. Exception is to extend the grant deadline and approve additional 3 rd party funding.

1.5 Since Investment Committee's meeting on 12 July 2017, decisions regarding the following schemes have been exercised through agreed delegation to WYCA's Managing Director:

Rail Park and Ride Hebden Bridge	Decision Point 5 (Full Business Case with Finalised Costs) Total Value - £0.626m Total Value of WYCA Funding - £0.626m Funding Recommendation sought – £0.626m	Scheme to increase car parking capacity to support sustainable employment growth in the main urban centres, support more travel into and between the urban centres and reduce on-street parking.
LEP Loan - Fresh Pastures	Decision Point 5 (Full Business Case with Finalised Costs) Total Value - £N/A (loan) Total Value of WYCA Funding - £0.800m Funding Recommendation sought – £0.800m	A loan of £0.800m from the LEP Growing Places Loan Fund to fit out its new facility to the required standard for food grade manufacture in order to consolidate manufacture and storage from three sites to one and allow expansion of production.
Strategic Inward Investment Fund	Decision Point 5 (Full Business Case with Finalised Costs) Total Value - £12.450m Total Value of WYCA Funding - £12.450m Funding Recommendation sought – £12.450m	A dedicated inward investment grant scheme, which will be operated specifically to secure investment to deliver significant benefits in terms of job creation and leveraging private sector investment.
Business Growth Programme	Decision Point 5 (Full Business Case with Finalised Costs) Total Value - £9.000m Total Value of WYCA Funding - £9.000m Funding Recommendation sought – £9.000m	The Business Growth Programme (BGP) has been in operation since February 2013. Initially it was funded through the Governments Regional Growth Fund and as from 1 April 2015 received an allocation of £18m to allow it to continue. An additional £9m has been allocated to the scheme through the Growth Deal 3 award. The programme will continue to support businesses operating within the LEP's priority sectors (manufacturing, low carbon & environmental, financial & business services, digital & creative and health & life sciences).

1.6 These schemes have a total combined funding value of £22.876m and full approval is recommended, £22.876m of this amount will be funded by WYCA.

1.7 The Pothole Action Fund proceeded directly to WYCA ahead of consideration by the Investment Committee due to the nature of the funding stream. The £2.231m funding allocation was approved by WYCA on 3 August 2017.

2. Background

2.1 Investment Committee will recall that WYCA has a three stage Assurance Process as set out below with the requirement that all projects will as a minimum need to formally pass Decision Points 2 and 5, highlighted in green below, and with the requirement to meet the intervening activities deemed on a project by project basis.



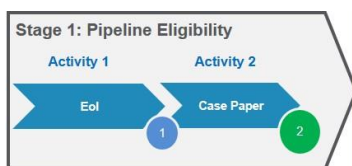
2.2 The Programme Appraisal Team (PAT) appraises all schemes at the Decision Points. The PAT is an internal assurance group and has no formal approval making powers,

they make recommendations which are then reported through the current WYCA governance arrangements for a formal decision/approval. The PAT consists of a panel of officers representing policy, legal, financial, assurance and delivery supplemented with external experts. Where conflict of interest issues arise during a meeting e.g. scheme comes forward for discussion which a member of the PAT is the Senior Responsible Officer for, the SRO will not take part in the discussion and agreeing of recommendations and in the case of the chair will leave the meeting and won't be part of any discussions and recommendations in relation to their scheme. The scheme promoters from the District Councils or Partner Delivery organisations attend the meeting to introduce the scheme and answer questions from PAT as required. The Terms of Reference for the PAT are contained within the Assurance Framework.

- 2.3 Projects at the Pipeline Eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, meet funding criteria and have available funding identified with further project definition including costs and detailed timescales to be developed as the project progresses through the pipeline. At this stage development funding may be sought to enable this work to progress.
- 2.4 Projects at Pipeline Development Stage should demonstrate that that they have tested the feasibility of a solution through their business case. This business case should then be developed in order to confirm and detail the preferred solution including finalising its cost.
- 2.5 Once in Delivery & Evaluation the scheme is delivered and WYCA funding is drawn down. When delivery is completed a review is carried out to ensure that the scheme has met all its requirements and outputs in accordance with its Funding Agreement. Finally information about a scheme's performance following its completion is collected, in order to evaluate the success of the scheme.

3. Programmes and Projects for Consideration

Projects in Stage 1: Pipeline Eligibility



3.1 A629 Phase 4 (Activity 2 Case Paper)

Background

The A629 Halifax to Huddersfield Corridor Improvements is a £120.6m transport package comprising multi-modal interventions which will improve journey time reliability, through a combination of road space reallocation and targeted junction improvements to address key congestion hot spots. Delivered in a number of phases over the next five years, it will also bring major transformations to Halifax town

centre's pedestrian environment, public transport network and infrastructure. The scheme is a crucial component in realising the Halifax Town Centre Delivery Plan aspirations, and unlocking key Local Plan growth sites.

Delivery of the project is being realised in a number of phases with implementation and works being undertaken on the following phases:

- Phase 1 – Calderdale Southern Section.
- Phase 2 (incorporating Phase 3) – Halifax Town Centre.
- Phase 5 – Ainley Top into Huddersfield.

Whilst the scope and interventions of the phases above is now largely understood, there remains two aspects of the corridor strategy yet to be developed:

- Preferred highway improvements for implementation at Ainley Top, as the one remaining pinch point where preferred solutions are yet to be identified: and
- Wider strategic interventions needed across the corridor as a whole in order to improve the appeal and uptake of public transport between Halifax and Huddersfield, and to provide journey time reliability for commercial (goods) vehicles.

Phase 4 approach will look to identify develop and implement solutions to address these residual aspects of the wider corridor strategy.

A summary of the Scheme's Business Case is included in **Appendix 1**.

Costs

The scheme has an existing approval of £0.075m which has funded feasibility works on the scheme. The total scheme cost of the Phase 4 element of the programme is forecast to be £30.000m. The scheme promoters require of £0.570m development funding to cover the cost of undertaking further feasibility to determine scope and costs of the scheme, preliminary design, and outline business case preparation in order to take the scheme to Decision Point 3.

Timescales

- An Outline Business Case submission is programmed for May 2018, with approval in October 2018.
- Full Business Case plus finalised costs for December 2019.
- Start on site January 2020 with completion December 2020.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these

tolerances are exceeded during the next Activity the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The project costs should remain with +10% of the total project cost set out in this report.
- The project's programme should remain within + 3 months of the delivery timescales set out in this report.

Project Responsibilities

Senior Responsible Officer:	Mark Thompson, Calderdale Council
Project Manager:	Chris Hoesli, Calderdale Council
WYCA Case Officer:	Tom Murphy

Recommendations

That Investment Committee recommends to WYCA that:

- The A629 phase 4 project proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case).
- An indicative approval to the total project value of £30.000m is given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Development costs of £0.570m are approved in order to progress the scheme to Decision Point 3 (Outline Business Case), taking the total project approval to £0.645m.
- WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £0.570m from the West Yorkshire plus Transport Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.2 Access Innovation Programme (Activity 2 Case Paper)

Background

The Access Innovation Programme is designed to support innovation activity by Small and Medium Enterprises (SMEs) in the Leeds City Region.

The Programme is funded from three sources:

- European Region Development Funding (ERDF).
- Local Growth Fund Access to Capital Grants Programme.
- Private Sector Match Funding.

The programme will support growth-orientated SMEs by providing grants (in the form of redeemable vouchers) of between £2,000 and £50,000 to support innovation projects with a total cost of between £10,000 and £100,000. The grants will aim to address an identified 'market gap' in the funding of innovation activity, knowledge transfer and building capacity for innovation in SMEs.

Overall, the project will lead to establishing relationships between SMEs and Innovation Support Providers and fostering sustained mechanism for collaboration, innovation capacity building and knowledge transfer, in turn contributing towards inclusive growth.

There is a strong strategic fit as the scheme fits to the Leeds City Region Strategic Economic Plan (2016) and Priority Area 1, Key Action Area (B) – *“delivery high quality innovation products and services and maximise the role of the universities in innovation”*.

The high level outputs include:

- 98 jobs created/safe guarded.
- 444 Businesses created/assisted.

A summary of the Scheme's Business Case is included in **Appendix 2**.

Costs

The total scheme costs are £9.174m. There are 3 funding sources:

- European Region Development Funding (ERDF) - £4.265m secured for this programme.
- LGF Access to Capital Grants Programme - £0.485m – already allocated.
- Private Sector Match Funding - £4.430m – expected from businesses as part of their application.

Timescales

- Decision Point 2 Approval is requested from Combined Authority on 5th October 2017.
- Full approval with Finalised Costs (Decision Point 5) via the MD Delegation will be requested in late October 2017.
- Scheme completion is forecast for March 2020 and full evaluation will take place during 2020/21 financial year.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these

tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The WYCA's funding contribution to the scheme should not exceed the total of £4.750m.
- The scheme's programme should remain within 2 months of the timescales set out in this report.
- The outputs are forecast to remain within 10% of amounts forecast in this report (98 jobs created/ safe guarded 444 businesses created/ assisted).

Project Responsibilities

Senior Responsible Officer: Henry Rigg
Project Manager: To be appointed
WYCA Case Officer: James Bennett

Recommendations

That Investment Committee recommends to WYCA that:

- The Access Innovation Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- An indicative approval to WYCA's contribution of £4.750m (which will be funded through £0.485m from the LGF Access to Capital Grants programme fund and £4.265m from the ERDF fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.3 Strategic Business Growth Programme (Activity 2 Case Paper)

Background

Closure of the National Business Growth Service (BGS) in March 2016 due to funding cuts, has led to gaps in advisory provision for growth in the LCR. Assistance with strategic business planning is a common issue for many SMEs that contact support services, particularly the need for some expert coaching and mentoring to develop and implement a plan capable of unlocking their growth potential. This project and the availability of supporting funding through the ESIF programme provides the opportunity to address this gap in provision and address the needs of SMEs with growth potential.

The project will engage with SMEs across the Leeds City Region (LCR) with ambition and aspirations to grow through providing an integrated package of support. The package will comprise of tailored advice along with financial support (capital grants) to help them grow and create new employment opportunities.

The support will be targeted at SMEs operating within the LEPs priority sectors of; manufacturing, low carbon and environmental, financial & business services, digital & creative and health & life sciences.

The programme will run until January 2020 funded through a combination of local and EU funding, matched by the enterprises engaged in the project. The project will be managed by WYCA in partnership with a local delivery agency which has been procured through competitive tender. The project is mobilised and ready to commence delivery following approvals.

A summary of the Scheme's Business Case is included in **Appendix 3**.

Costs

The total costs of the project are £7.058m. The WYCA funding contribution of £3.146m is made up of £2.156m ESIF Grant and £0.990m WYCA Capital Grants Fund. The remaining £3.914m will be match funding provided by the businesses in receipt of support and capital grants.

Timescales

- Decision Point 2 (Case Paper) Approval will be sought from WYCA on 5 October 2017.
- Approval of the Full Business Case with Finalised Costs (Decision Point 5) will be sought through WYCA's Managing Director Delegated Approval in late October 2017.
- The project can commence immediately and the project will be completed by January 2020.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The WYCA funding allocation should remain at £3.146m.
- The total Private Sector Match funding contribution must not decrease by more than 5%.
- The programme completion date is fixed at January 2020.

- Possible impact/disturbance caused by BREXIT negotiations and subsequent changes to UK/EU funding regimes is forecast to effect the availability of the ESIF grant.
- The number of businesses supported should remain within 15% of the 302 target.
- The number of businesses in receipt of grant funding should remain within 10% of the 44 target.
- The number of jobs created should remain within 10% of the 604 target.

Project Responsibilities

Senior Responsible Officer: Sue Cooke, WYCA

Project Manager: Neill Fishman, WYCA

WYCA Case Officer: Fiona Limb

Recommendations

That Investment Committee recommends to WYCA that:

- The Strategic Business Growth Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- An indicative approval to WYCA's contribution of £3.146m (which will be funded through £2.156m from the ESIF Grant and £0.990m from the WYCA Capital Grants Fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.4 Beech Hill, Halifax (Activity 2 Case Paper)

Background

Beech Hill lies on the western edge of Halifax Town Centre. The regeneration of the site is a joint venture partnership with Calderdale Council and Together Housing Group (THG) who own the three derelict tower blocks in the area, as well as 17 social rented units.

This project is to assist with the remediation of Stannery Depot and with the demolition of three high-rise tower blocks to assist the delivery of new housing development in its place on the Beech Hill site.

As part of the strategic approach Beech Hill has been identified as an area where intervention and support is needed to drive regeneration and improve quality of life

for its communities. It is the Council's aim to implement a programme of improvement and redevelopment at Beech Hill. Phase 1 of this scheme will allow land to become available with an opportunity to develop approximately 140 new dwellings, of which the majority are proposed to become affordable homes.

Overall, the funding will principally focus on Phase 1 of the regeneration project; bringing the demolition of the three high-rise tower blocks and the remediation /development of Stannery Depot together as one project. Phase 1 has been selected because it aligns with early stage deliverables and represents the areas where investment will be focused in the short to medium term.

Through combining the two ventures of the Council depot and the tower blocks as one delivery phase, it is projected to achieve greater economies of scale. There is the potential to use material from the tower block demolitions to make up levels across the depot site and this will have an impact to any options considered for the overall remediation.

The proposed overall scheme has a strong strategic fit to and will contribute to the Leeds City Region Strategic Economic Plan 2016, Priority 4: Infrastructure for Growth (a) Integrated spatial priority areas which includes Urban Growth Centres, Housing Growth Areas and Employment Growth Areas.

A summary of the Scheme's Business Case is included in **Appendix 4**.

Costs

The total costs for Phase 1 are estimated as £5.000m

This will be funded from:

- WYCA Contributions - £1.000m (Local Growth Fund Growth Deal 3 allocation)
- Joint Venture Contributions - £4.000m

Timescales

- Decision Point 2 (Case Paper) Approval will be sought from WYCA on 5th October 2017.
- Full Business Case with Finalised Costs approval (Decision Point 5) via the MD Delegation will be requested in March 2018.
- Scheme completion for Phase 1 is forecast for December 2018.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- WYCA's contribution should remain within £1.000m with a maximum 10% of capital budget underspend on the project as whole.
- If the project programme should remain within 3 months of the timescales set out in this report.

Project Responsibilities

Senior Responsible Officer: Heidi Wilson, Calderdale Council

Project Manager: Steph Furness, Calderdale Council

WYCA Case Officer: Caroline Coy

Recommendations

That Investment Committee recommends to WYCA that:

- The Beech Hill project proceeds through Decision Point 2 and work commences on Activity 4 (Full Business Case).
- An indicative approval to WYCA's contribution of £1.000m (which will be funded through Growth Deal 3) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 2: Pipeline Development



3.5 Castleford Rail Station Gateway (Activity 3 Outline Business Case)

Background

The Castleford Rail Station Gateway scheme which will see the enhancement of the existing rail station facility to provide a new, high quality, modern waiting facility and pedestrian linkages with Castleford town centre and the bus station, providing an attractive and welcoming gateway to the town. This, together with the £6m Castleford Bus Station refurbishment, will create a public transport 'Hub' for Castleford.

The proposed scheme will see significantly improved facilities provided at the rail

station with the replacement of the existing life expired poor waiting shelter with a new modern building design which seeks to complement the architectural style of the bus station. The new waiting facility will incorporate a fully enclosed waiting room and partially enclosed waiting areas; kiosk/retail space including a ticket vending machine; staffed ticket office; disabled toilet and seating. Sheltered cycle parking will also be provided.

The scheme will also deliver significant public realm improvements both to the forecourt area and on the key walking routes between the rail station, town centre and the bus station through footway treatments, landscaping and signage. In the forecourt area, provision will be made for taxis, private hire vehicles and buses. The car park layout will be improved to allow for easier pedestrian and non-motorised access, with the existing on-site parking provision retained and complemented by the creation of 10 new on-street parking bays adjacent to the station. Significant refurbishment of the underpass will be delivered, including waterproofing, lighting and CCTV, to create a more attractive link between the rail station and large residential areas in the south of Castleford town centre, which will be available for rail and non-rail users, boosting connectivity.

A summary of the Scheme's Business Case is included in **Appendix 5**.

Costs

The total scheme cost is forecast as £4.511m. The scheme requires development funding of £0.317m to cover the cost of progressing the scheme to Decision Point 5 (Full Business with Finalised Costs). The scheme has an existing approval of £0.021m, which has funded its development to Outline Business Case.

Timescales

Full Business Case with Finalised Costs submission in January 2019, with scheme completion by February 2020.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- That the forecast project costs remain within +/- 10% from the total scheme cost set out in this report.
- That the project's programme remains within +/- 3 months from the timescales set out in this report.

Project Responsibilities

Senior Responsible Officer: Kate Thompson, WYCA
Project Manager: Chris Dunderdale, WYCA
WYCA Case Officer: Adam Kendall Ward

Recommendations

The Investment Committee recommends to WYCA that:

- The Castleford Rail Station Gateway project proceeds through Decision Point 3 and work commences on Activity 4 (Full Business Case).
- An indicative approval to the total project value of £4.511m is given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Development costs of £0.317m are approved in order to progress the scheme to Decision Point 5 (FBC with Finalised Costs), taking the total project approval to £0.338m.
- WYCA enter into a Section 56 grant agreement with Northern Rail for expenditure of up to £0.200m from the West Yorkshire plus Transport Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.6 Energy Accelerator (Activity 4 Full Business Case)

Background

The Energy Accelerator (Accelerator) is an innovative project development programme that offers specialist expertise to local low carbon projects. The Accelerator will act as an 'enabler' to low carbon and energy efficiency projects, moving them from concept to the point of investment.

The potential for commercially viable, revenue-generating low carbon / zero carbon projects is still largely untapped within Leeds City Region. To date the initial risk associated with project development has prevented good schemes from leveraging the finance available to them. The lack of schemes that are investment ready is underpinned by a lack of availability of project development finance combined with a lack of specialist knowledge in the development of low carbon projects. This is therefore currently a market failure that the Accelerator aims to address.

The Accelerator will only focus on technical support for the following:

- Commercial and Domestic Retrofit including Integration of Renewable Energy sources into the built environment e.g. Solar PV, biomass.
- District Heating.
- Street Lighting.

The main outcomes will be to:

- Secure just under £3 million of commercial and technical support for a range of regional low carbon projects.
- Enable ~£100m of capital investment in low carbon projects across the region.
- Result in a substantial decrease in regional carbon emissions.
- Create temporary and some permanent jobs.

Once established, the Accelerator will be the first of its kind in the UK.

WYCA have been developing the Accelerator over a number of years. In November 2015 Investment Committee (IC) approved £0.640m of Local Growth Funding to support the development and delivery of the Accelerator, subject to a successful European Investment Bank's (EIB) funding bid. In the summer of 2016 WYCA submitted a bid for approximately £5.700m (exact amount dependent on Euro exchange rate) from the EIB European Local ENergy Assistance (ELENA) facility. ELENA provides grants for technical assistance focused on the implementation of energy efficiency, distributed renewable energy projects and programmes. In line with recommendations received from the ELENA Team, WYCA in May 2017 revised the bid to approximately £2.997m (exact amount dependent on Euro exchange rate at the date of approval). To date WYCA is awaiting a decision from EIB, which is expected September 2017.

The Accelerator has a Governance and Appraisal Framework which has been aligned with the Leeds City Region Assurance Framework. Under the Accelerator's Governance and Appraisal Framework a Programme Advisory Group will be established to support the delivery of the Accelerator. The Accelerator's Programme Team (commercial and technical experts) will assess potential projects against an established Project Assessment Framework and make recommendation on the conditions of the support to be offered (the value of the technical support given is likely to range from £10K – £500,000). Individual Support Agreements followed by quality review with WYCA's legal team will also be undertaken by the Accelerator Programme Team. Monitoring and evaluation of individual projects will be undertaken by the Accelerator's Programme Team.

It will be the responsibility of the Project Sponsors (who receive support through the Accelerator) to deliver any capital schemes that are deemed technically viable by the Accelerator. Actual delivery of these capital schemes is not part of the Accelerator programme.

A summary of the Scheme's Business Case is included in **Appendix 6**.

Costs

The total revised project value of the Accelerator is approximately £3.817m with £2.997m (€3,513,847) of funding being secured through the EIB's ELENA fund (application pending) and £0.820m from the Local Growth Fund (£0.640m was

approved in 2015, subject to a successful ELENA bid). Exact costs will be dependent on the Euro exchange rate at the date of approval.

As an innovative programme a robust evidence base was needed including preliminary commercial and viability appraisal work to identify a shortlist of potentially deliverable low carbon projects. This work identified over 70 potential projects to explore, with just over 20 projects shortlisted for Accelerator assistance. Staff and technical bespoke support were also needed to develop the operational model and to compile the ELENA bid. £0.165m of project cost have been incurred to date and a further £0.015m is required to progress the scheme to Decision Point 5.

Timescales

- EIB Decision on ELENA funding – August / Sept 2017.
- WYCA Decision Point 4 (Full Business Case) Approval - 5 October 2017.
- WYCA Decision Point 5 (Full Business Case with Finalised Costs) via Managing Director (MD) delegation - November 2017.
- Launch Energy Accelerator –January 2018.
- Project Completed – January 2021.

Tolerances

In order for the whole Accelerator Programme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- That Scheme cost remains within the allocation of £3.817m.
- That the scheme remains within the timescales set out in this report.
- That less than £2.5 million pounds (€3 million euro) be offered by the EIB.
- If at the mid-way point (18 months into the contract with the EIB) less than 85% of the total programme spend is expected to result in projects that reach the 'point of implementation' (defined as procurement stage with ELENA) within the ELENA contract period.
- In addition to meeting the above programme tolerance, if at the mid-way point (18 months into the contract with the EIB) the Programme Leverage Factor is less than 15.

Project Responsibilities

Senior Responsible Officer: David Walmsley, WYCA
Project Manager: Jacqui Warren, WYCA
WYCA Case Officer: Peter Coello

Recommendations

That the Investment Committee recommends to WYCA, subject to a successful ELENA application, that:

- The Energy Accelerator programme proceeds through Decision Point 4 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- Approval to spend the £0.640m LGF allocation as match to support the development of the Accelerator is confirmed.
- An indicative Approval to the £2.997m ELENA funding (exact amount dependent on Euro exchange rate at the date of approval - application pending) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs). This will bring the total project value to approximately £3.817m (£0.820m LGF, £2.997m ELENA).
- Development costs of up to £0.180m are approved in order to pay the incurred development costs and to progress the scheme to Decision Point 5 (FBC with finalised costs) from the Local Growth Fund, taking the total project approval to £0.820m.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.
- WYCA's Managing Director use his existing delegated authority to approve projects within any future phases of the Energy Accelerator Programme, providing that the value of each scheme is less than £1m.

3.7 Leeds District Heat Network - Phase 1 (Activity 5 Full Business Case with Finalised Costs)

Background

The Leeds District Heat Network (LDHN) involves the construction of a new 4.5 kilometre District Heating Network of super insulated underground pipework connecting the Recycling and Energy Recovery Facility (RERF) in the Aire Valley to customers across the City.

Phase 1 of the LDHN will initially bring heat to Council-owned flats to the north of the city centre. The project will tackle fuel poverty through reducing fuel bills for vulnerable residents and in addition make a significant contribution to Leeds City Council's (LCC) ambition to achieve a 40% reduction in carbon dioxide between 2005 and 2020. Once the LDHN is operating at full capacity it holds the potential to heat the equivalent of 25,000 flats.

Leeds City Council has a 15 year vision to grow the LDHN to cover the city centre with Phase 2 extensions to Leeds City Region Spatial Priority Areas of the Southbank and Aire Valley regeneration areas. Investing in Phase 1 of a LDHN will create the confidence for future low carbon developments, underpinned by district heating.

WYCA approved £7 million towards the LDHN on 31 March 2016. A revised business case was submitted in February 2017 requiring an additional £3 million funding from WYCA as a result of an increase in total project cost from £21 million to £25 million. WYCA conditionally approved a grant of £10 million for the LDHN on 6 April 2017, subject to the full funding package being secured from other sources and robust evidence regarding anticipated levels of demand.

The project's scope has been amended and the Full Business Case has been re-submitted. The key change is that the Energy Centre will no longer be located on the Enterprise Zone which means that Leeds City Council will no longer need to pay business rates to WYCA. The previous £10m request was predicated on the need to pay these rates, the funding request has now been reduced. The £4 million grant would instead be repayable to WYCA under the state aid clawback mechanism. If an operating profit is made by the network, up to £4 million of the profit would be recoverable to WYCA. This will be specified as part of the detailed grant conditions, the approval of which is requested to be delegated to WYCA's Managing Director.

The final business case focuses on Phase 1 of the LDHN and reflects cost efficiencies achieved through the now concluded design, build and operate contract procurement. Match funding has been confirmed and the demand required to support the business model has been evidenced. 60% of demand has been secured through Housing Leeds and detailed discussions and technical surveys have been undertaken with the other lead anchor customers.

The Leeds District Heat Network was approved by Leeds City Council Executive Board on 17 July 2017.

A summary of the Scheme's Business Case is included in **Appendix 7**.

Costs

The final scheme is seeking a £4.00m grant from the Local Growth Fund towards total project costs of £21.276m

Timescales

Full planning approval for the energy centre	January 2018
Construction of the energy centre complete	August 2018
The underground District Heat Network installed	December 2018
The LDHN to be fully operational	April 2019
Key clients connected	June 2019

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- That the project cost (and WYCA's contribution) should remain within 10% of the costs stated in this report.
- That the programme should remain within 3 months of the timescales stated in this report.

Project Responsibilities

Senior Responsible Officer: Neil Evans, LCC
Project Manager: Polly Cook, LCC
WYCA Case Officer: Chris Maunder

Recommendations

That Investment Committee recommends to WYCA conditional approval of the following recommendations, with final approval of these recommendations being subject to WYCA's Managing Director approval of the detailed grant conditions on a clawback mechanism:

- The Leeds District Heat Network project proceeds through Decision Point 5 and work commences on Activity 6 (Delivery).
- Approval to WYCA's contribution of £4.000m (which will be funded from the Local Growth Fund) is given.
- WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £4.000m from the Local Growth Fund.
- The Funding Agreement makes provision for up to £4 million to be clawed back if the Leeds District Heat Network makes an operating profit over the 25 year asset lifetime.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.8 New Bolton Woods (Activity 5 Full Business Case with Finalised Costs)

Background

The New Bolton Woods project will undertake essential site remediation, preparation and infrastructure works to facilitate the delivery of a key phase of residential development within a major mixed-use regeneration scheme. New Bolton Woods sustainable urban village will provide over 1,000 new homes in the Bradford Shipley Canal Road Corridor regeneration area.

The Project will facilitate the preparation of 5.66 hectares of brownfield land for housing development and the creation of 145 new homes by 2021.

The regeneration scheme is being delivered through a Public Private Partnership in the form of an asset based joint venture company, Canal Urban Village Ltd. established by Bradford Metropolitan District Council in partnership with URBO regeneration Ltd. Keepmoat construction will act as the development partner.

The project was approved by WYCA on 29 September 2016 to progress from Outline to Full Business Case. The Full Business Case was supported by the Programme Assurance Team (PAT) on 8 June 2017 and achieved subsequent Managing Director Delegated Approval at Decision Point 4.

The funding conditions defined by WYCA's Programme Appraisal Team as set out below have been met during Activity 5 and captured in the Funding Agreement:

- Claw back if 90 housing units are not built by March 2021.
- Profit share on pro rata ratio if sales income exceeds that shown in the development appraisal, triggered only if any overage income accrued by the Council is not allocated for additional regeneration actions in the Canal Road Corridor by an agreed longstop date.
- Provision of State Aid opinion by qualified solicitor.
- Provision of a final cost analysis to confirm the viability gap.
- Evidence that management tools covering risk, programme, communications, and change management are complete and a recognised project management methodology will be adopted.

Time limitations have resulted in following conditions currently being outstanding:

- Provision of State Aid opinion by qualified solicitor.
- Provision of a final cost analysis to confirm the viability gap.

It is recommended that delivery of these conditions will be confirmed as part of the WYCA Managing Director approval for Decision Point 5 (Full Business Case with Finalised Costs) which will be sought in December 2017 following anticipated receipt of full planning permission for the project.

A summary of the Scheme's Business Case is included in **Appendix 8**.

Costs

The scheme is seeking £3.600m Local Growth funding, towards total project costs of £25.731m.

Timescales

- Full planning approval for the New Bolton Woods Phase 3 scheme will be secured by the end of September 2017.
- Construction delivery is programmed for commencement in January 2018 and will be completed in 2021.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- That costs remain within 10% within of the total project cost stated in this report and that the WYCA contribution is fixed at £3.600m.
- That the programme remains within 3 months of the timescales set out in this report.
- That the outputs that are forecast remain within 30 housing units of the output set out in this report.

Project Responsibilities

Senior Responsible Officer: Shelagh O'Neill, Bradford Council

Project Manager: Simon Woodhurst, Canal Road Urban Village Ltd

WYCA Case Officer: Chris Maunder

Recommendations

That Investment Committee recommends to the WYCA Managing Director that:

- The New Bolton Woods Phase 3 project proceeds through Decision Point 5 and work commences on Activity 6 Delivery.
- Approval to WYCA's grant contribution of £3.600m (which will be funded from the Local Growth Fund) is given.
- WYCA enter into a Funding Agreement with Bradford Metropolitan District Council for expenditure of up to £3.600m from the Local Growth Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.9 Leeds New Station Street (Activity 5 Full Business Case with Finalised Costs) Exception

Background

The aim of the New Station Street project is to significantly improve the environment for pedestrians on New Station Street and around the entrance to the main concourse

of Leeds Station. Current plans involve rationalising the bus stops on New Station Street and a doubling of the area of footway available for pedestrian circulation. This will involve widening the footway along most of the distance from the concourse doors down to City Square and also to the east past City House. The complete length of New Station Street will be repaved, from the junction with Wellington Street/Bishopgate Street to the junction with Boar Lane. The New Station Street project is recognised as the next phase of delivery for the wider Leeds Station masterplan work, delivering much needed improvements prior to the implementation of the longer term masterplan works that are currently in development.

Following the Gateway 1 submission in August 2016, the project was approved subject to not exceeding cost estimates of £1.591m, and achieving delivery by winter 2017/18. The start on site date was anticipated to be January / February 2018. The approval route for the project was for all future approvals to be made by the WYCA MD subject to remaining within the tolerances above. The project development is taking longer than anticipated following delays between Network Rail and their sub-contractor. As a result Network Rail were asked to produce a revised programme which set out the project tasks from development through to construction end. This programme now shows a site start date of 29/06/18 and a construction end date of 14/12/18.

In light of these delays the project is being brought back to Investment Committee to highlight the changes to the delivery programme, and confirm that the agreed approval process, which grants Managing Director delegation at DP5, is accepted in order to prevent further delay to the project. This delegation would be on the basis that the project remains within the previously approved budget of £1.591m, and starts on site by July 2018 with completion by December 2018.

Costs

The scheme is forecast to cost £1.591m.

Timescales

- The scheme is forecast to receive Full Business Case Approval with Finalised costs (Decision Point 5) in May 2017.
- Construction on the scheme is forecast to commence in July 2018 with completion by December 2018.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- That total project costs remain within +/- 10%.
- That project timescales remain within 3 months of forecast date for completion.

Project Responsibilities

Senior Responsible Officer: Liz Hunter, WYCA
Project Manager: Thomas Murphy, WYCA
WYCA Case Officer: Sara Brook

Recommendations

That Investment Committee recommends to WYCA that:

- The exception to extend the Leeds New Station Street project timescale to completion on site by December 2018 is approved.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3 – Programme Committed



3.10 Wakefield Eastern Relief Road (Activity 6 Delivery) Exception.

Please note that the report provided as Agenda Item 8 Wakefield Eastern Relief Road: Change request is currently in Stage 3 - Programme Committed and has been appraised in line with the Assurance Framework.

3.11 Huddersfield Incubation & Innovation Centre (Activity 6 Delivery) Exception

Background

The original Business Case for this project, which was approved in 2016, was to focus on digitalisation, design innovation and smart manufacturing, enabling firms to become faster, more responsive and closer to customers. The project was a collaboration, located at both Globe Mills, Slaithwaite, Huddersfield and 3M BIC at Huddersfield University to provide the latest access to technologies in these sectors and provide a specialist incubator and grow-on space tailored to “wrap around” business support services. The approved total cost of the project was £10.500m, which was funded through £2.922m of WYCA Local Growth Fund and match funding of £5.510m from the private sector partner, £1.3m from 3M, £0.268m from ESIF and £0.516m from Huddersfield University. The scheme aimed to refurbish commercial floor

space, create 139 FTEs (133 indirect and 6 direct), provide financial and non-financial support to businesses and provide businesses with access to specialist kit.

Project Exception

The exception to the project will see the University provide a greater resource within the University offering a wider supply of equipment for businesses. The funding will not be used to provide the incubator space in Globe Mill but the developer will continue to develop the space to provide much needed office space. Therefore the total value of the project has reduced from £10.5m to £4.255m. This is because the capital contribution and associated ESIF match funding at the Globe will no longer be part of the project, however the University contribution has increased to £1.355m. WYCA's contribution remains the same at £2.92m however it now comprises 68% of the overall project costs.

This exception results in the following changes to the project:

- The commercial floor space at Globe Mills, will not be developed, however reduced funds will be spent refurbishing and equipping the 3M BIC premises to enable more funding to be directed towards supporting businesses.
- Reduction in direct job created from 6 FTE to 2 FTE.
- Increase in no. of enterprises receiving non-financial support from 120 to 150. Due to wider range of equipment available through the project.
- Increase in no. of enterprises receiving business support services. Due to all businesses now accessing support directly through 3MBIC and access to more innovation support. The equipment will also support upskilling of existing businesses and the SME High Growth Programme through the University.
- Increase in no. of potential entrepreneurs assisted to be enterprise ready from 400 to 480.
- Increase in no. of new enterprises supported from 80 to 90.
- Decrease in no. of enterprises receiving financial support from 34 to 17 due to no ESIF funding.
- The university anticipates further added value from the additional equipment through its use in providing supply chain development services which are the subject of a current ESIF proposal.

Costs

The revised total scheme costs are £4.255m, with WYCA's contribution grant contribution being £2.922m.

Timescales

A condition of the grant will be that it must be spent by March 2018.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- WYCA contribution should not exceed the £2.922m grant fund contribution.
- The WYCA grant fund contribution should be spent by end of March 2018.

Project Responsibilities

Senior Responsible Officer:	Liz Towns- Andrews, University of Huddersfield
Project Manager:	Elizabeth Courtney, WYCA
WYCA Case Officer:	Heather Briggs

Recommendations

That Investment Committee recommends to WYCA's Managing Director that:

- The exceptions to the Huddersfield Incubation & Innovation Centre project outlined in the report above are approved.
- It is reconfirmed that the project will receive the WYCA grant fund allocation of £2.922m to be funded from the Local Growth Fund.
- The funding agreement between WYCA and Huddersfield University is revisited in light of the above exception and any changes to the Funding Agreement and Overage Agreement will be approved through the delegation to WYCA's Managing Director.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.12 Tackling Fuel Poverty (Activity 6 Delivery) Exception

Background

The Tackling Fuel Poverty Programme was approved by WYCA in two phases:

- Phase 1 (Bradford Council) in June 2016.
- Phase 2 (Barnsley Metropolitan Borough Council) in September 2016.

The Programme's aim is to address fuel poverty amongst some of the most vulnerable households in the Leeds City Region through a capital programme of energy efficiency improvements, including existing solid wall and hard to treat housing stock across all tenures. The Programme offers grants to householders in fuel poverty to meet the cost of the energy efficiency measures.

This exception requests the following:

- Bradford Council requests a 3 month grant deadline extension from the end of August 2017 to the end of November 2017. Bradford Council also requests that additional funding of £0.130m acquired through Energy Company Obligation funds and customer contributions is used to complete a further 12-15 properties during this period.
- Barnsley Metropolitan Borough Council requests a 4 month grant deadline extension from end of June 2017 to end of October 2017.

Approval of the exception will increase ECO funding secured and therefore increase customer contributions by £23k and project outputs by improving a further 12 - 15 properties.

Costs

There is no impact on the cost to WYCA as the additional funds will come from ECO and customer contributions. The total scheme costs have increased for Bradford from £1.29m to £1.42m (variance of £130k). The Barnsley costs remain unchanged (£500k).

Timescales

The overall Programme closure timescale remains unchanged (March 2019) so this additional requested timeframe is well within the Programme timeframes.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The Programme Closure timeframe remains at March 2019.
- The Programme should remain within the scheme costs set out in this report.

Project Responsibilities

Senior Responsible Officer:	Liz Courtney, WYCA
Programme Manager:	Vicky Dumbrell, WYCA
WYCA Case Officer:	Heather Briggs

Recommendations

That Investment Committee recommends to the WYCA Managing Director that:

- The exceptions to the Tackling Fuel Poverty Programme outlined in the report above are approved.

- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.13 Decisions made through the Delegation to the Managing Director

Since Investment Committee's meeting on 12 July 2017, decisions regarding the following schemes have been exercised. These decisions were made through the delegation to WYCA's Managing Director following a recommendation from WYCA's Programme Appraisal Team.

- **Hebden Bridge Rail Park and Ride Decision Point 5 (Full Business Case with Finalised Costs).**

As part of the West Yorkshire Plus Transport Fund, a package of car park extensions at rail stations has been identified to enhance connectivity to, from and within West Yorkshire. The purpose of the package is to increase car parking capacity at selected stations to support sustainable employment growth in the main urban centres however it will also support more travel into and between the urban centres by rail for other purposes. The package will produce other local benefits such as the reduction in on-street parking. The extension of the existing rail station car park at Hebden Bridge will provide:

- 127 standard car parking spaces.
- 4 Blue Badge car parking spaces.
- Additional CCTV and lighting.
- Re-surfaced and re-marked existing car park surfaces.
- Enhanced drainage infrastructure, with fuel and oil interceptors.
- Provision for 2 x EV charging bays.

The scheme was indicatively approved by WYCA at the meeting on the 2 February 2017. As part of this approval WYCA also agreed that Decision Point 5 approval could be delegated to WYCA's Managing Director providing that the scheme remained within its approval tolerances. The scheme has remained within these tolerances and the Full Business Case with finalised costs set out a total project value of £0.626m. As a result the scheme sought Managing Director delegated approval to proceed through Decision Point 5 into Activity 6 (Delivery), and that a grant of £0.491m be made to Arriva Rail North under Section 56(2) of the Transport Act 1968. Managing Director delegated approval was received on 7 July 2017.

A summary of the Scheme's Business Case is included in **Appendix 9**.

- **LEP Loan – Fresh Pastures (Full Business Case with Finalised Costs)**

Fresh Pastures (FP) is a small milk processing company, specialising in the supply of milk in 1/3rd pint cartons to the school market. FP is currently seeking a loan of £800k from the LEP Growing Places Loan Fund to fit out its new to the required

standard for food grade manufacture. Completing the facility will consolidate manufacture and storage from three sites to one and allow expansion of production.

The scheme received Decision Point 4 (Full Business Case) approval by WYCA at the meeting on the 29 June 2017. As part of this approval WYCA also agreed that Decision Point 5 approval could be delegated to WYCA's Managing Director providing that the scheme remained within its approval tolerances. The scheme has remained within these tolerances and the Full Business Case with finalised costs set out a total loan value of £0.8m. As a result the scheme sought Managing Director delegated approval to proceed through Decision Point 5 into Activity 6 (Delivery), and that WYCA enter into a Funding Agreement with Fresh Pastures Processing Ltd for expenditure of up to £0.8m from the LEP Loans fund. Managing Director delegated approval was received in principle on the 7 July 2017 and signature of the Funding Agreement is expected in September.

A summary of the Scheme's Business Case is included in **Appendix 10**.

- **Strategic Inward Investment Fund Decision Point 5 (Full Business Case with Finalised Costs).**

The fund is a dedicated inward investment grant scheme, which will be operated specifically to secure investment likely to deliver significant benefits in terms of job creation and leveraging private sector investment. This fund will be available as a tool to support Leeds City Region to win 'footloose' investment opportunities. The proposed target for this funding scheme is non-indigenous businesses in priority sectors seeking to create large numbers of jobs in our region. Additional contributions to the inclusive growth agenda will be sought through the application process. It is anticipated that applications will be larger than £250k and, in the main, lower than £1m but no upper limit on the size of individual applications will be set. The fund will have a total value of £12.45m and be funded from Growth Deal 3. The fund is forecast to deliver 1,245 new jobs in the City Region.

The scheme received Decision Point 2 (Case Paper) approval by WYCA at the meeting on the 29 June 2017. As part of this approval WYCA also agreed that Decision Point 5 approval could be delegated to WYCA's Managing Director providing that the scheme remained within its approval tolerances. The scheme has remained within these tolerances. As a result the scheme sought Managing Director delegated approval to proceed through Decision Point 5 into Activity 6 (Delivery). Managing Director delegated approval was received on 23 July 2017.

A summary of the Scheme's Business Case is included in **Appendix 11**.

- **Business Growth Programme Decision Point 5 (Full Business Case with Finalised Costs).**

The Business Growth Programme (BGP) has been in operation since February 2013. Initially it was funded through the Governments Regional Growth Fund and as from 1 April 2015 received an allocation of £18m to allow it to continue. An additional £9m has been allocated to the scheme through the Growth Deal 3 award. The programme will continue to support businesses operating within the LEP's priority sectors (manufacturing, low carbon & environmental, financial & business services, digital & creative and health & life sciences) to provide grants of between £10,000 and £250,000, where grant support is needed/adds value by filling a funding gap, accelerating an investment, enabling an investment to happen on a larger scale or in a particular location. The programme will primarily support SMEs, though large companies may be considered by exception. Investments must be specifically linked to job creation, or clearly demonstrate the investment is linked to growth (e.g. in the supply chain) or skills development (leading to a recognised qualification). The £9m fund is forecast to create over 500 net new jobs to the Leeds City Region, supporting 160 businesses in the City Region's priority sectors and leveraging in £50m of private sector investment.

The scheme received Decision Point 2 (Case Paper) approval by WYCA at the meeting on the 29 June 2017. As part of this approval WYCA also agreed that Decision Point 5 approval could be delegated to WYCA's Managing Director providing that the scheme remained within its approval tolerances. The scheme has remained within these tolerances. As a result the scheme sought Managing Director delegated approval to proceed through Decision Point 5 into Activity 6 (Delivery). Managing Director delegated approval was received on the 18th August 2017.

A summary of the Scheme's Business Case is included in **Appendix 12**.

4. Financial Implications

- 4.1 The report seeks endorsement to expenditure from the available WYCA funding as set out in this report.

5. Legal Implications, Access to Information

- 5.1 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 the WYCA and the partner in question.

6. Staffing Implications

- 6.1 A combination of WYCA and District partner project, programme and portfolio management resources are identified and costed for within the schemes in this report.

7. Recommendations

- 7.1 That Investment Committee recommends to WYCA that:

- The **A629 phase 4 project** proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case).
- An indicative approval to the total project value of £30.000m is given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Development costs of £0.570m are approved in order to progress the scheme to Decision Point 3 (Outline Business Case), taking the total project approval to £0.645m.
- WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £0.570m from the West Yorkshire plus Transport Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.2 That Investment Committee recommends to WYCA that:

- The **Access Innovation Programme** proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- An indicative approval to WYCA's contribution of £4.750m (which will be funded through £0.485m from the LGF Access to Capital Grants programme fund and £4.265m from the ERDF fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.3 That Investment Committee recommends to WYCA that:

- The **Strategic Business Growth Programme** proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- An indicative approval to WYCA's contribution of £3.146m (which will be funded through £2.156m from the ESIF Grant and £0.990m from the WYCA Capital Grants Fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.4 That Investment Committee recommends to WYCA that:

- The **Beech Hill project** proceeds through Decision Point 2 and work commences on Activity 4 (Full Business Case).
- An indicative approval to WYCA's contribution of £1.000m (which will be funded through Growth Deal 3) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.5 The Investment Committee recommends to WYCA that:

- The **Castleford Rail Station Gateway project** proceeds through Decision Point 3 and work commences on Activity 4 (Full Business Case).
- An indicative approval to the total project value of £4.511m is given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Development costs of £0.317m are approved in order to progress the scheme to Decision Point 5 (FBC with Finalised Costs), taking the total project approval to £0.338m.
- WYCA enter into a Section 56 grant agreement with Northern Rail for expenditure of up to £0.200m from the West Yorkshire plus Transport Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.6 That the Investment Committee recommends to WYCA, subject to a successful ELENA application, that:

- The **Energy Accelerator programme** proceeds through Decision Point 4 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- Approval to spend the £0.640m LGF allocation as match to support the development of the Accelerator is confirmed.
- An indicative Approval to the £2.997m ELENA funding (exact amount dependent on Euro exchange rate at the date of approval - application pending) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs). This will bring the total project value to approximately £3.817m (£0.820m LGF, £2.997m ELENA).
- Development costs of up to £0.180m are approved in order to pay the incurred development costs and to progress the scheme to Decision Point 5 (FBC with

finalised costs) from the Local Growth Fund, taking the total project approval to £0.820m.

- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.
- WYCA's Managing Director use his existing delegated authority to approve projects within any future phases of the Energy Accelerator Programme, providing that the value of each scheme is less than £1m.

7.7. That Investment Committee recommends to WYCA conditional approval of the following recommendations, with final approval of these recommendations being subject to WYCA's Managing Director approval of the detailed grant conditions on a clawback mechanism:

- The **Leeds District Heat Network project** proceeds through Decision Point 5 and work commences on Activity 6 (Delivery).
- Approval to WYCA's contribution of £4.000m (which will be funded from the Local Growth Fund) is given.
- WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £4.000m from the Local Growth Fund.
- The Funding Agreement makes provision for up to £4 million to be clawed back if the Leeds District Heat Network makes an operating profit over the 25 year asset lifetime.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.8 That Investment Committee recommends to the WYCA Managing Director that:

- The **New Bolton Woods Phase 3 project** proceeds through Decision Point 5 and work commences on Activity 6 Delivery.
- Approval to WYCA's grant contribution of £3.600m (which will be funded from the Local Growth Fund) is given.
- WYCA enter into a Funding Agreement with Bradford Metropolitan District Council for expenditure of up to £3.600m from the Local Growth Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.9 That Investment Committee recommends to WYCA that:

- The exception to extend the **Leeds New Station Street project** timescale to completion on site by December 2018 is approved.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.10 That Investment Committee recommends to WYCA's Managing Director that:

- The exceptions to the **Huddersfield Incubation & Innovation Centre project** outlined in the report above are approved.
- It is reconfirmed that the project will receive the WYCA grant fund allocation of £2.922m to be funded from the Local Growth Fund.
- The funding agreement between WYCA and Huddersfield University is revisited in light of the above exception and any changes to the Funding Agreement and Overage Agreement will be approved through the delegation to WYCA's Managing Director.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

7.11 That Investment Committee recommends to the WYCA Managing Director that:

- The exceptions to the **Tackling Fuel Poverty Programme** outlined in the report above are approved.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

8. Appendices

- Appendix 1 – A629 Phase 4 Halifax to Huddersfield Corridor Improvements
- Appendix 2 – Access Innovation Programme
- Appendix 3 – Strategic Business Growth Programme
- Appendix 4 – Beech Hill, Halifax
- Appendix 5 – Castleford Rail Station Gateway
- Appendix 6 – Energy Accelerator Programme
- Appendix 7 – Leeds District Heat Network
- Appendix 8 – New Bolton Woods
- Appendix 9 – Rail Park and Ride Hebden Bridge
- Appendix 10 – LEP Loan - Fresh Pastures
- Appendix 11 – Strategic Inward Investment Fund
- Appendix 12 – Business Growth Fund

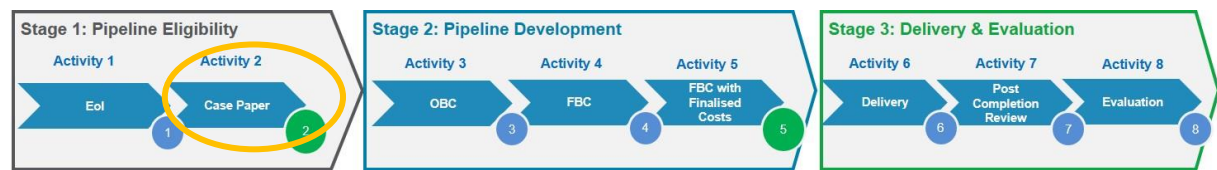
9. Background Documents

9.1 None as part of this report

Section A: Scheme Summary

Name of Scheme:	A629 Phase 4: Ainley Top & Wider Strategic Interventions
PMO Scheme Code:	WYTF – PA4 - 015
Lead Organisation:	Calderdale Council
Senior Responsible Officer:	Mark Thompson
Lead Promoter Contact:	Chris Hoesli – Programme Manager
Applicable Funding Stream:	West Yorkshire plus Transport Fund
Growth Fund Priority Area (if applicable):	Priority 4 – Infrastructure for Growth
Forecasted Full Approval Date (Decision Point 5):	December 2019
Forecasted Completion Date:	December 2020
Total Scheme Cost (£):	£30m
WYCA Funding (£):	£30m
Total other public sector investment (£):	None
Total other private sector investment (£):	None
Is this a standalone Project?	No – It is a deliverable phase of the wider A629 corridor project between Halifax and Huddersfield
Is this a Programme?	No
Is this Project part of an agreed Programme?	Yes – West Yorkshire plus Transport Fund
Current Funding Allocation:	The project has received £75,000 of pre-feasibility funding.

Current Assurance Process Activity:



Scheme Description:

Calderdale Council (CMBC) and Kirklees Council (KMBC) are each developing a number of schemes to be delivered through the West Yorkshire Plus Transport Fund (WY+TF). One of the WY+TF schemes currently being developed jointly by the two authorities involves significant improvements to the A629 corridor between Halifax and Huddersfield.

Delivery of the full corridor strategy will take a number of years to realise due to the complexity and extent of the various proposals. The scheme has therefore been split into a number of phases, with the development of the following components initially prioritised due to the greater contribution to overall impacts that these are expected to generate:

- Phase 1 – Calderdale Southern Section;
- Phase 2 (incorporating Phase 3) – Halifax Town Centre; and
- Phase 5 – Ainley Top into Huddersfield

The A629 Phase 4 comprises the last phase in a programme of planned improvements to the highway corridor linking Halifax and Huddersfield, being developed and funded under the West Yorkshire Plus Transport Fund (WY+TF).

An Expression of Interest (Eol) for the A629 Phase 4 was approved by WYCA's Programme Appraisal Team (PAT) on 22nd February 2017, setting out high level details of the Phase 4 project, its anticipated outputs and proposed programme for delivery. Content of the Eol was informed by the indicative scope of interventions defined at the time of the Fund's inception, alongside the identification of likely 'gaps' in scheme outputs that will remain to be filled on completion of other neighbouring phases of the corridor at more advanced stages of development.

Previously approved funding of £75,000 allowed the undertaking of pre-feasibility work to better define the scope of likely interventions for development and delivery as part of Phase 4, such that the overarching benefits of the A629 scheme as a whole can be achieved, given their role in justifying the scheme's inclusion within the original WY+TF package at West Yorkshire level.

This Eol Addendum provides an update to the earlier Eol in light of findings from this pre-feasibility work, now it has been completed. The detail it provides should be reviewed by WYCA in combination with content from the original Eol in order to inform preparation of a Case Paper for the scheme. In turn, this will enable a feasibility budget to be released and the project to advance through to Activity 3 (Outline Business Case) in WYCA's PMO process, assuming prior confirmation of pipeline eligibility is secured from the WYCA Investment Committee in September 2017.

Business Case Summary:	
Strategic Case	The SEP lists both Halifax and Huddersfield (Urban Growth Centres) and Lindley Moor East and Lindley Moor West (Employment Growth Area) as spatial priority areas, identified as potential major areas for growth. This emphasises the importance of delivering improvements on the A629 to help support the growth and regeneration of these spatial priority areas.
Commercial Case	<p>Established proposals for Phases 1, 2 and 5 are expected to provide a significant proportion of the overall scheme outcomes needed to deliver target benefits. Work already undertaken on Phase 4 has helped to define the scope of likely interventions that can contribute to the delivery of these overarching benefits of the A629 scheme. Whilst failure to deliver Phase 4 would not prevent realisation of the benefits attributable to other phases, the net benefits of the overarching corridor strategy would not be realised.</p> <p>Despite the clear interdependency with other phases, the A629 Phase 4 scheme is expected to provide some independent benefits in its own right. In particular targeting congestion hotspots at Ainley Top and West Vale where no interventions are currently proposed; the latter being one of the primary locations for delays to bus services that serve the corridor. In addition, since end-to-end bus journey times between Halifax and Huddersfield remain uncompetitive when compared to travel by private car, further intervention is required in phase 4 to establish more sustainable trips to/from new developments by public transport.</p>
Economic Case	<p>Phase 4 aims to contribute to SEP Priority 4 – infrastructure for growth by achieving the following objectives:</p> <ul style="list-style-type: none"> • Improve accessibility to the economic centres of Halifax and Huddersfield • Facilitate local development and job creation • Improve air quality and reduce carbon <p>It aims to deliver the objectives by mainly:</p> <ul style="list-style-type: none"> • Improving operation of Ainley Top • Achieving modal shift from car to bus by making bus journeys more attractive via highway and soft measures • Building new highway link • Improving cycling and walking facilities.
Financial Case	<p>The total cost of the scheme is estimated to be £30m. Initial capital costs have been compiled as part the Expression of Interest, with costs for development and risk benchmarked against other phases of the A629 programme.</p> <p>Funding required to get to the end of Activity 5 (FBC+) is estimated at £2.355, which includes the £0.570m requested for completion of Activity 3 (OBC).</p>
Management Case	Calderdale Council and Kirklees Council are the joint promoters of the A629 phase 4 works. Calderdale Council are leading on the delivery of the works, with support from WYCA in the development stages.

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Section A: Scheme Summary

Name of Scheme:	Access Innovation Programme
PMO Scheme Code:	WYCA-EU-002
Lead Organisation:	WYCA
Senior Responsible Officer:	Not stated
Lead Promoter Contact:	Henry Rigg
Applicable Funding Stream:	WYCA Contributions (including overhead costs) £484,680 from WYCA's LGF-funded Access to Capital Grants programme ERDF £4,264,558 SME Contributions £4,425,000
Growth Fund Priority Area (if applicable):	The proposed scheme will contribute to the Leeds City Region Strategic Economic Plan 2016, Priority 1: Growing Businesses, Key Action Area (B) - 'Innovation by delivering high quality innovation product and services, maximising the role of the universities in innovation and working with Innovate UK'. It will also contribute to Priority 2: - 'creating an ecosystem of innovative SMEs to help create more and better jobs'.
Forecasted Full Approval Date (Decision Point 5):	It could be a very short timescale to reach Decision Point 5. Given that the programme successfully applied for £4.26m ERDF grant, that WYCA has already secured and allocated £484,680 from LGF for capital grants, with a balance of £4.43m from SME contributions, and with external funding in place, it would make sense to progress to request MD delegated authority for the next DP.
Forecasted Completion Date:	Scheme completion 31.03.2020
Total Scheme Cost (£):	£9,174,238
WYCA Funding (£):	LGF Access to Capital Grants programme - £484,680 ERDF - £4,264,558
Total other public sector investment (£):	£0
Total other private sector investment (£):	SME Contributions £4,425,000

Is this a standalone Project?	Yes
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	The programme successfully applied for £4.26m ERDF grant; WYCA has also already secured and allocated £484,680 from LGF for capital grants, with a balance of £4.43m to come from SME contributions

Current Assurance Process Activity:



Scheme Description:

A New Programme designed to support innovation activity by SMEs in Leeds City Region

The Programme funded from three sources (£9.2m total):

- ERDF - £4.3m secured for this programme
- LGF Access to Capital Grants Programme - £0.5m – already allocated
- Private Sector Match Funding - £4.4m – expected from businesses as part of their application

Strong Strategic Fit:

Scheme fits to the LCR SEP (2016) and Priority Area 1, Key Action Area (B) – “*delivery high quality innovation products and services and maximise the role of the universities in innovation*”

High level outputs include;

- 98 jobs created/safe guarded
- 444 Businesses created/assisted

Business Case Summary:

Strategic Case	<p>The programme has a close fit with the current Strategic Economic Plan (SEP) for Leeds City Region (refreshed in 2016), and particularly its Priority 1, Key Action Area (B), ‘deliver high quality innovation products and services and maximise the role of the universities in innovation’.</p> <p>The programme will also focus on the SEP’s six priority sectors, and on those sub-sectors that have most potential to increase rates of SME innovation,</p>
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	<p>leading to the development of new products and services. In turn, these have the most potential to enter new markets, including overseas ones, which can deliver significant economic impact for the city region and national economy.</p> <p>SME innovation rates in Leeds City Region, and the take-up of local and national innovation support products, such as those available from universities and Innovate UK, are comparatively low, particularly when you consider the size of business base and the university sector. Therefore, this programme will help to address two of the city region's major strategic priorities: - to increase the rate of innovation within SMEs and to improve the level of collaboration between SMEs and Higher Education Institutions (HEIs). The LEP Board and the Business, Innovation and Growth Panel are supportive of this programme, as is the city region's ESIF Sub-Committee.</p> <p>The programme will also contribute to Priority 2 of the SEP: - 'creating an ecosystem of innovative SMEs to help create more and better jobs'. This also links the programme to the CA's Inclusive Growth workstream i.e. focussing on better paid jobs in local firms.</p>
Commercial Case	<p>The commercial case for supporting SMEs to undertake innovation activity is that those businesses that continually develop new products, processes and services are far more likely to grow and prosper. In turn, they are in stronger position to secure external commercial finance (from banks and venture capitalist) and be awarded research-related funding from such sources as Innovate UK, Catapult Centres or the Knowledge Transfer Network.</p> <p>Furthermore, national Government investment in new R&D/innovation facilities is much more likely to land in areas with strong innovation eco-systems, which this programme would help to develop further in Leeds City Region.</p>
Economic Case	<p>There is clear evidence from numerous sources of the positive economic impact of SMEs undertaking innovation activity i.e. developing, commercialising and enhancing products and services to meet demand from consumers and business customers. Parts of the country with high SME innovation rates perform better in economic terms, and there is a similar correlation between economic growth and areas with strong performing HEIs e.g. Cambridge, Oxford and York.</p> <p>The programme will also create/safeguard 98 jobs, which are likely to be at a highly-skilled and well-paid level bearing in the innovative nature of the SMEs to be involved.</p>
Financial Case	<p>The programme is delivering decent value for money In terms of headline its outputs and outcomes. This is particularly the case with the businesses accessing the vouchers as that level of support is regarded as 'intensive'. Nationally, the average cost per intensive assist is circa £50K and on this the average cost is just £17,478 per intensive assist. The cost per job on the programme of circa £43,500 is above the national average for grant schemes (currently circa £30K per job). However, the value for money remains strong bearing in mind that the jobs will be highly skilled and likely to be significantly above the Living Wage.</p>

Management Case	<p>There is a well-resourced team in place to support delivery of the programme, with a programme manager, project manager, and two monitoring officers, plus the team of three Innovation Growth Managers who will be engaging directly with the SMEs and supporting the through the application process. However, it will remain challenging to encourage SMEs to engage with the programme, particularly around the procurement requirements each must undertake, Therefore, the team will focus on providing intensive ‘hands on’ support to SMEs and innovation suppliers to guide both through the process.</p> <p>The programme has clear and effective governance in place, with a Project Executive Group (with public and private sector members) having met twice already, and direct strategic links to the CA/LEP’s Business, Innovation and Growth Panel. The risks associated with the programme are being actively managed by the Executive Group.</p> <p>WYCA is experienced in managing a wide range of complex projects, programmes and services, such as this one, via funding from external sources.</p>
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Section A: Scheme Summary

Name of Scheme:	Strategic Business Growth Programme
PMO Scheme Code:	WYCA-EU-001
Lead Organisation:	WYCA
Senior Responsible Officer:	Sue Cooke
Lead Promoter Contact:	Neill Fishman
Applicable Funding Stream:	ESIF and Access to Capital Grants (Local Growth Funding)
Growth Fund Priority Area (if applicable):	Priority 1 of SEP: Boost business growth, productivity, exports and investment by linking business to support and funding.
Forecasted Full Approval Date (Decision Point 5):	18 th October 2017
Forecasted Completion Date:	January 2020
Total Scheme Cost (£):	£7,057,138
WYCA Funding (£):	£3,146,138 (ESIF - £2,156,138 & WYCA Capital Grants - £990,000)
Total other public sector investment (£):	£0
Total other private sector investment (£):	£3,911,596 (Match funding from SMEs receiving support and grants through programme)
Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	Yes – ESIF funding is secured for the project along with nominal allocation from Growth Deal.

Current Assurance Process Activity:



Scheme Description:

The project will engage with small and medium sized enterprises (SMEs) across the Leeds City Region (LCR) with ambition and aspirations to grow through providing an integrated package of support. The package will comprise of tailored advice along with financial support (capital grants) to help them grow and create new employment opportunities.

The support will be targeted at SMEs operating within the LEPs priority sectors of; manufacturing, low carbon and environmental, financial & business services, digital & creative and health & life sciences.

The programme will run until January 2020 funded through a combination of local and EU funding, matched by the enterprises engaged in the project and will deliver the following:

- Provide one-to-one and one-to-many support to a minimum of 302 businesses
- Provide financial support to a minimum of 44 businesses (as part of the total of 302)
- Create a minimum of 604 jobs within the Leeds City Region
- Seek to lever at least £3.96m of private sector funding
- Support the growth of business in LCRs priority sectors
- Realise additionality in complementary projects

Business Case Summary:	
Strategic Case	The project addresses Priority 1 of the SEP: Growing Business. It provides a capital grant and tailored support aimed at assisting SMEs from targeted sectors to grow and create new jobs.
Commercial Case	<p>Closure of the National Business Growth Service (BGS) in March 2016 due to funding cuts, has led to gaps in advisory provision for growth in the LCR. Assistance with strategic business planning is a common issue for many businesses that contact support services, particularly the need for some expert coaching and mentoring to develop and implement a plan capable of unlocking their growth potential. This project and the availability of supporting funding through the ESIF programme provides the opportunity to address this gap in provision and address the needs of SMEs with growth potential.</p> <p>The project will help SMEs in LCR to:</p> <ul style="list-style-type: none"> • Understand and undertake strategic planning to support growth of their business • Prepare for securing external finance

	<ul style="list-style-type: none"> Accelerate growth leading to an increased economic contribution to the LCR (increased GVA and Growth) <p>The companies will be targeted through referrals from a range of partners and agencies.</p> <p>A delivery partner has been procured through competitive tender to recruit SMEs to the project and deliver the specialist support and guidance. The capital grants element will be administered through the existing project team within WYCA through referrals from the delivery partner.</p> <p>Research has shown that a small proportion of SMEs create over half of all new jobs in the country and this project will provide the support necessary to enable SMEs in the region to grow, creating jobs and wealth. Complementary and previous comparable programmes have identified a gap in the market and need for this targeted support for SMEs, for example WYCA's Growth Service supported over 1,200 businesses in its first nine months of operation.</p> <p>It is anticipated that approximately 44 SMEs will be awarded a capital grant through the project with an average value of £22.5k through a competitive process. This will represent 10-30% of the value of works/investment with the residual amounts being funded through match funding from the businesses themselves. This will provide investment in new equipment as well as alterations and fit out of premises.</p>
Economic Case	<p>The project is designed to deliver the following outputs that will lead to economic growth within the region:</p> <ul style="list-style-type: none"> Provide one-to-one and one-to-many support to a minimum of 302 businesses by 2020 Provide financial support to a minimum of 44 businesses by 2020 (as part of the global figure of 302) where demonstrative evidence can be provided that financial intervention along with intensive business support will accelerate growth. Create a minimum of 604 jobs within the Leeds City Region Seek to lever at least £3.96m of private sector funding Support the growth of business in LCRs priority sectors (manufacturing, low carbon and environment, financial & business services, digital & creative and health & life sciences) Through the financial strand of the programme, realise additionality in complementary projects - either supporting investment that would not otherwise happen, bring forward investment so that it is realised sooner or ensuring that investment happens on a greater scale.
Financial Case	<p>Funding has been identified to deliver the project through a successful bid to EU European Structural and Investment Funds, along with an allocation from WYCA's access to Capital Grants. In addition the project anticipates match funding from Businesses supported through advice and grants.</p>

	ESIF	£2,156,138	
	WYCA Capital Grants	£990,000	
	Private Sector Match	£3,911,596	
	Total	£7,057,734	
The project will be plugging a gap in the market for support and advice to SMEs in the region. The Project costs and target outputs are based on previous similar initiatives and the delivery partner has been procured within expected costs.			
Management Case	The project will be managed by a team at WYCA. This team and management structures are already in place within the Economic Services Directorate. The SRO has been appointed and a project steering group has been established. All necessary project management documentation is in place or is currently being developed. The project will link into and complement established business support services including the LCR Growth Service. Project governance and assurance processes are in place through links to the existing Business Growth Programme Appraisal Advisory Group.		

Section A: Scheme Summary

Name of Scheme:	Beech Hill
PMO Scheme Code:	GD-PA4-024
Lead Organisation:	Calderdale Council
Senior Responsible Officer:	Heidi Wilson, CMBC
Lead Promoter Contact:	Stephanie Furness, CMBC
Applicable Funding Stream:	Growth Deal 3 Includes £5m for investing in unlocking housing sites. This includes Beech Hill, which is asking for a WYCA contribution of £1m.
Growth Fund Priority Area (if applicable):	The proposed scheme will contribute to the Leeds City Region Strategic Economic Plan 2016, Priority 4: Infrastructure for Growth, Key Action Area (a) Integrated spatial priority areas – Housing Growth Areas.
Forecasted Full Approval Date (Decision Point 5):	March 2018 (Phase 1)
Forecasted Completion Date:	December 2018 (Phase 1)
Total Scheme Cost (£):	£5,000,000
WYCA Funding (£):	WYCA Contributions £1,000,000 from Growth Deal 3
Total other public sector investment (£):	CMBC to confirm any funding allocated
Total other private sector investment (£):	£4,000,000 funded through Together Housing
Is this a standalone Project?	No – This project, Phase 1, is part of a larger scheme which is to do with the regeneration of Beech Hill. Phase 1 is to assist with the demolition of three high-rise tower blocks which includes removal of asbestos and remediation works with a view to develop the delivery of new housing development in place of this at a later date. It is also to assist with the remediation of Stannery Depot which forms part of the Beech Hill Site to eventually assist with the delivery of new housing.
Is this a Programme?	No
Is this Project part of an agreed Programme?	n/a
Current Funding Allocation:	Yes, £4,000,000 from Together Housing has been allocated.

Current Assurance Process Activity:



Scheme Description:

Beech Hill lies on the western edge of Halifax Town Centre. The regeneration of the site is a joint venture partnership with Together Housing Group (THG) who own the three derelict tower blocks in the area, as well as 17 social rented units.

This project is to assist with the demolition, removal of asbestos and remediation of three high-rise tower blocks with a view to develop the delivery of new housing development in its place.

Overall, the funding will principally focus on Phase 1 of the regeneration project; this is the incorporation of bringing the demolition of the three high-rise tower blocks and the remediation /development of Stannery Depot together as one project. Phase 1 has been selected because it aligns with early stage deliverables and represents the areas where investment will be focused in the short to medium term.

Through combining the two ventures of the Council Depot and the three high-rise tower blocks as one delivery phase, this is projected to achieve greater economies of scale. There is the potential to use material from the tower block demolitions to make up levels across the depot site and this will have an impact to any options considered for the overall remediation.

Business Case Summary:

Strategic Case

The scheme aligns with the Leeds City Region Strategic Economic Plan (SEP) (2016 – 2036) Halifax urban area which includes Beech Hill and contributes to Priority 4: Infrastructure for Growth (a) Integrated spatial priority areas which includes Urban Growth Centres, Housing Growth Areas and Employment Growth Areas.

There is a wider masterplan and delivery plan for the area which has Calderdale Council, local community, local member and MP support. The Beech Hill Project Board is a multi agency partnership board that has been created to deliver the master plan and interventions required to create a sustainable community.

Commercial Case

At Beech Hill, CMBC have formed an established, strategic partnership with Together Housing Group (THG). Both partners share the same vision to regenerate Beech Hill.

Planning application for the demolition of the tower block is still to be submitted, the demolition contract will be tendered for by Together Housing Group the resulting tender prices will be critical to the project.

This demolition of the tower block can now be linked to the closure and release of the adjacent Council owned Stannery Depot. There are demolition elements on the depot site that can form part of a wider contract offering improved VFM.

	There are also options to utilise material from the demolition tower block on the remediation of the Stannery Depot site which can offer savings.
Economic Case	<p>The commercial case for the project will see the regeneration of the Beech Hill community which forms part of the wider regeneration of Halifax Urban area.</p> <p>The creation of a sustainable and successful community adjacent to the urban centre will form part of the wider transformation of the town and will align with investments in transport infrastructure, public spaces and businesses and support plans to create a successful and vibrant town centre. Including:</p> <ul style="list-style-type: none"> • Halifax Station Gateway – improved town centre gateway • The Piece Hall – cultural and commercial centre • The Borough market –major employment centre, mixed use opportunity • Bailey Hall (Nestle site) - mixed use • Cripple Gate / Mulcture Hall Road - 2.58 Hectares mixed use
Financial Case	<p>Capital costs of the demolition of the tower block is still to be confirmed via a tender process. Costs are estimated to be circa £5m due to the extensive stripping of asbestos materials.</p> <p>The growth deal contribution is fixed at a £1m maximum.</p> <p>The tower blocks represent long term empty properties, there is no rental income generation or council tax income generated. Providing new accommodation in that location will provide for these income streams and much needed housing provision.</p>
Management Case	<p>The project is well established and the master plan is long standing with full community and political support. Delivery arrangements are in place in terms of the partnership between CMBC and Together Housing.</p> <p>There is an established multi agency, Beech Hill Project Board, which is led by the Council and has community representation, local members and other key stakeholders. The Combined Authority is also a member of the Board.</p>

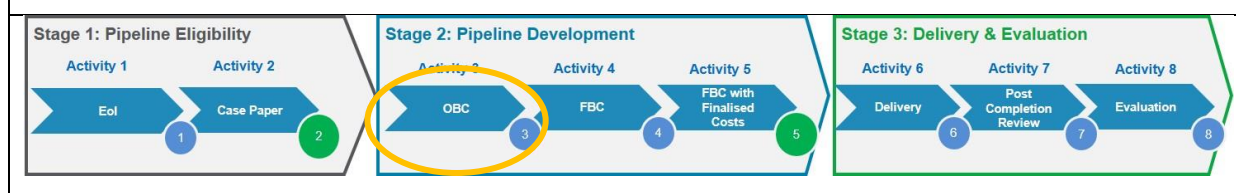
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Section A: Scheme Summary	
Name of Scheme:	Castleford Rail Station Gateway
PMO Scheme Code:	WYTF – PA4 – 031
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	Kate Thompson
Lead Promoter Contact:	Chris Dunderdale
Applicable Funding Stream:	West Yorkshire Plus Transport Fund
Growth Fund Priority Area (if applicable):	Priority Area 4 – Infrastructure for Growth
Forecasted Full Approval Date (Decision Point 5):	January 2019
Forecasted Completion Date:	February 2020

Total Scheme Cost (£):	£4,511,466
WYCA Funding (£):	£4,511,466
Total other public sector investment (£):	N/A
Total other private sector investment (£):	Potentially £87,000 from Northern Rail franchise

Is this a standalone Project?	Yes
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	£50m has been allocated for the Station Gateway programme, which features in the wider West Yorkshire Plus Transport Fund. Castleford Rail Station Gateway is part of the Station Gateway programme.

Current Assurance Process Activity:



Scheme Description:

The Castleford Rail Station Gateway scheme will see the enhancement of the existing rail station facility to provide a new, high quality, modern waiting facility and pedestrian linkages with Castleford town centre and the bus station, providing an attractive and welcoming gateway to the town.

The proposed scheme will see significantly improved facilities provided at the rail station with the replacement of the existing waiting shelter with a new modern building design which seeks to complement the architectural style of the £6m award winning Castleford Bus Station which opened in 2015. The new waiting facility will incorporate a fully enclosed waiting room and partially enclosed waiting areas; kiosk/retail space including a ticket vending machine; staffed ticket office; disabled toilet and seating. Sheltered cycle parking will also be provided.

The scheme will also deliver significant public realm improvements both to the forecourt area and on the key walking routes between the rail station, Castleford town centre and the bus station through footway treatments, landscaping and signage. In the forecourt area, provision will be made for taxi and private hire pick-up and drop off and rail replacement buses. A new modern totem will be erected for easy recognition of the rail station as a transport hub facility. The car park layout will be improved to allow for easier pedestrian and non-motorised access. The existing capacity of 65 car parking spaces within Network Rail's land will be retained and complemented by the creation of 10 new on-street parking bays on Welbeck Street, which will be managed by Wakefield Council, and made available for use for rail users. Significant refurbishment of the underpass will be delivered, including waterproofing, lighting and CCTV, to create a more attractive link between the rail station and large residential areas in the south of Castleford town centre, which will be available for rail and non-rail users, boosting connectivity with the rest of the town and the bus station.

Business Case Summary:

Strategic Case

Castleford is designated as a Spatial Priority Area in the Strategic Economic Plan (SEP), with 4,500 new homes and 3,000 new jobs expected to come into the town by 2030. The Castleford Rail Station Gateway scheme will complement the recent £6m investment in Castleford Bus Station, creating a Public Transport 'Hub' for the town, which will play a key role in realising the ambitions of the SEP and Castleford Growth Delivery Plan by encouraging sustainable growth. The rail station currently serves over 550,000 rail users per annum which is expected to rise as the town's population increases by 27% by 2030. This forecast growth reinforces the need to invest in improvements at the Rail Station to create a more attractive gateway for inward and outward rail commuters. Replacing the existing waiting shelter with a fit-for-purpose facility

	and improving connectivity to the bus station and town centre will create a more accessible and welcoming environment for rail users.
Commercial Case	The Outline Business Case demonstrates that the 27% forecast population growth of Castleford, coupled with the 11% increase in jobs growth in nearby Leeds, will bring an increase in usage and demand of Castleford rail station, particularly for inward and outward rail commuters. Addressing the current issues and providing a fit for purpose waiting facility will tackle the existing known constraints on the station and establish a welcoming gateway into Castleford. This will further enable the future sustainable growth of the town. Increased usage of the station will strengthen the current financial sustainability of the station for the train operating company in terms of increased revenue from ticket sales, while the implementation of new retail facilities on site will create new revenue streams. These two latter factors may encourage the train operating company to invest in enhancements to rail services in future to satisfy demand and grow revenue.
Economic Case	Three options of varying scale and cost have been examined using standard industry practice and WebTAG as part of the Castleford Rail Station Gateway's scheme development. The preferred option involves the highest level of investment of the options assessed, but does deliver the greatest benefits and value for money against the scheme objectives. It will generate the highest number of new trips using the station and highest revenue. The additional demand generates over 445,000 miles based on typical journey length. The scheme demonstrates a strong economic case with a Present Value Benefit (PVB) of £4.2m and a Benefit to Cost Ratio (BCR) of 2.8.
Financial Case	Currently, the scheme will be funded 100% by the West Yorkshire Plus Transport Fund programme. The project outturn cost is £4.511m, which covers the further scheme development costs, land purchase, new rail station passenger waiting facility, supporting facilities, and the minor highway rearrangements. A potential financial contribution from the rail industry for the scheme may be available but is subject to further negotiation. Net increases in Castleford Rail Station's maintenance and operational revenue costs have been identified and should be covered by third parties. The main financial risks will be quantified at the next stage of the scheme's development.
Management Case	West Yorkshire Combined Authority is project managing the delivery of the scheme with support from delivery agents in the rail industry. The scheme will be progressed in line with adopted Prince 2 project management processes and with rail industry practices, particularly Governance of Rail Investment Projects (GRIP). The development of the scheme follows a defined project programme with effective controls and risk management. The anticipated scheme construction start is September 2018, with completion and project close out expected in April-July 2019.

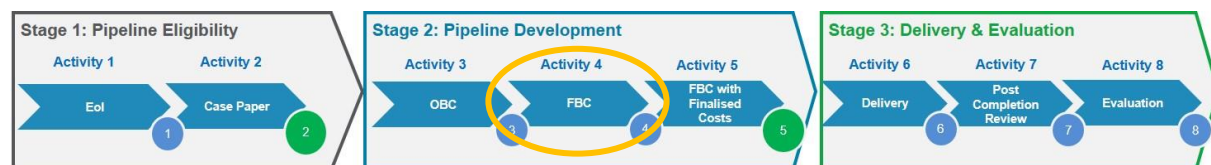
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Section A: Scheme Summary

Name of Scheme:	Energy Accelerator
PMO Scheme Code:	GD-PA3-002
Lead Organisation:	WYCA
Senior Responsible Officer:	David Walmsley
Lead Promoter Contact:	Jacqui.Warren@westyorks-ca.gov.uk
Applicable Funding Stream:	Local Growth Fund and EIBs ELENA Funding
Growth Fund Priority Area (if applicable):	Priority Area 3
Forecasted Full Approval Date (Decision Point 5):	WYCA conditional Approval (DP 4) - 5 October 2017 WYCA final approval via Managing Director (MD) delegation – November 2017
Forecasted Completion Date:	<ul style="list-style-type: none"> - Launch Energy Accelerator –January 2018 - ELENA funding to be spent within 3 years of signing contract with EIB – January 2021
Total Scheme Cost (£):	£3,817m
WYCA Funding (£):	£0.820m from the Local Growth Fund (£0.640m approved in 2015) 3,513,847 EURO (£2,996,608.66) secured through the EIB's ELENA fund (application pending)
Total other public sector investment (£):	None
Total other private sector investment (£):	None
Is this a standalone Project?	Yes
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	<ul style="list-style-type: none"> - £0.820m from the Local Growth Fund (£0.640m approved in 2015)

	- 3,513,847 EURO (£2,996,608.66 based on current exchange rates) secured through the EIB's ELENA fund (application pending)
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Current Assurance Process Activity:



Scheme Description:

The Energy Accelerator (Accelerator) is an innovative project development programme that offers specialist expertise to local low carbon projects. The Accelerator will act as an 'enabler' to low carbon and energy efficiency projects, moving them from concept to the point of investment.

The potential for commercially viable, revenue-generating low carbon / zero carbon projects is still largely untapped within Leeds City Region. To date the initial risk associated with project development has prevented good schemes from leveraging the finance available to them. The lack of schemes that are investment ready is underpinned by a lack of availability of project development finance combined with a lack of specialist knowledge in the development of low carbon projects. This is therefore currently a market failure that the Accelerator aims to address.

The Accelerator will only focus on technical support for the following:

- Commercial and Domestic Retrofit including Integration of Renewable Energy sources into the built environment e.g. Solar PV, biomass
- District Heating
- Street Lighting

The main outcomes will be to:

- Secure just under £3 million of commercial and technical support for a range of regional low carbon projects
- Enable ~£100m of capital investment in low carbon projects across the region
- Result in a substantial decrease in regional carbon emissions
- Create temporary and some permanent jobs.

Once established, the Accelerator will be the first of its kind in the UK.

WYCA have been developing the Accelerator over a number of years. In November 2015, but subject to a successful European Investment Bank's (EIB) funding bid (see below), Investment Committee (IC) approved £640k of Local Growth Funding to support the development and delivery of the Accelerator. In the summer of 2016 WYCA submitted a bid for £5.7m from EIB European Local ENergy Assistance (ELENA) facility for implementation of Accelerator. ELENA provides grants for technical assistance focused on the implementation of energy efficiency, distributed renewable energy projects and programmes. In line with recommendations received from the ELENA Team, WYCA in May 2017 revised the bid to 3,513,847 EURO (£2,996,608.66). To date WYCA is awaiting a decision from EIB, which is expected September 2017

The Accelerator has a Governance and Appraisal Framework which has been aligned with the Leeds City Region Assurance Framework. Under the Accelerator's Governance and Appraisal Framework a Programme Advisory Group will be established to support the delivery of the Accelerator. The Accelerator's Programme Team (commercial and technical experts) will assess potential projects against an established Project Assessment Framework and make recommendation on the conditions of the support to be offered (the value of the technical support given is likely to range from £10K – £500,000). Individual Support Agreements followed by quality review with WYCA's legal team will also be undertaken by the Accelerator Programme Team. Monitoring and evaluation of individual projects will be undertaken by the Accelerator's Programme Team.

It will be the responsibility of the Project Sponsors (who receive support through the Accelerator) to deliver any capital schemes that are deemed technically viable by the Accelerator. Actual delivery of these capital schemes is not part of the Accelerator programme.

Business Case Summary:

Strategic Case	<p>The strategic case for the project has been comprehensively made within the full business case</p> <p>The Accelerator was established as a key priority for the LEP. Priority 3 of the refreshed SEP (2016) has an aim to become “a resilient zero carbon energy economy underpinned by high quality green infrastructure.” Within this Priority 3 accelerating energy generation is one of 4 key strands stated that the LEP would work with key partners to deliver. The Accelerator will be the primary mechanism to facilitate development and investment in local low carbon projects and will help create good, low carbon growth. Specifically it will also support progress on the follow SEP long term headline indicators:</p> <ul style="list-style-type: none"> • Carbon emissions • Increased GVA, employment in the clean energy sectors • Reduce fuel poverty
Commercial Case	<p>Demand for the Project is thoroughly set out.</p> <p>Following the initial market testing carried out for the project, a consortium of consultants (as opposed to a framework) was considered to be the most supported method of providing the Accelerator advice. Within the consortium, it is anticipated that there would be a representative for technical and commercial / financial advice. Legal advice may also be included. Utilising a consortium is thought to provide a number of benefits that would not be realised if a framework was used and consultants were procured on project-by-project basis.</p> <p>In terms of procurement; an ITT Procurement pack was assembled in-line with OJEU regulation requirements. Award of the ITT was pending subject to commitment of ELENA funding.</p>
Economic Case	<p>Option appraisal is clearly set out and provides an audit trail of advantages/disadvantages and reasons for rejection/selection.</p> <p>Economic Outputs have been projected as follows:</p> <ul style="list-style-type: none"> - Reduction in carbon emissions (KTCO2) 4708 - Monetary value of reduced carbon emissions (£m) m282.5 - Leverage (Project development costs: Capex) 1:41

	<ul style="list-style-type: none"> - Permanent Jobs 51 - Temporary Jobs 827 <p>Further Case Officer engagement with WYCA's Research and Intelligence Team required re: How tested, Sensitivity testing, and BCR / VfM.</p>
Financial Case	<p>Note: ELENA funding is not secured (application submitted) and approvals at WYCA PMO DP 5 will be subject to securing this funding.</p> <p>Contingency is not applicable in terms of the EA not being a Capital Programme, however £180,000 development costs have been included in costing's presented to WYCA's Investment Committee.</p> <p>The consultants providing the advice to projects will be procured on the basis of a fixed sum of money that will be available for project development support. They will not have the ability to spend beyond this. The management costs of £640,000 will be carefully managed and will largely consist of employee costs which will be managed via a contract.</p>
Management Case	<p>The management case provides a summary of the governance and management of the programme (Section F of FBC). The Accelerator will sit within the Economic Policy of the Policy, Strategy & Communication Directorate.</p> <p>Delivery of the EA will be via WYCA who will establish a new central resource to deliver the Accelerator. The services required are:</p> <p>WYCA (new)</p> <ul style="list-style-type: none"> • One Programme Manager • One Programme Assistant <p>External (new)</p> <ul style="list-style-type: none"> • Three (3) part-time Commercial Sector Leads (0.5 FTE each). • One (1) part-time Technical Cross-Sector Lead (0.5FTE). • Technical, Financial, and Specialist Legal Support – this is expected to constitute a pool of specialist expertise supplementing the Commercial and Technical Leads, to be drawn on using a series of Task Orders over the duration of the contract. <p>In terms of procurement; an ITT Procurement pack was assembled in-line with OJEU regulation requirements. Award of the ITT was pending subject to commitment of ELENA funding.</p> <p>The FBC recommendations propose that WYCA's Managing Director use his existing delegated authority to approve projects within any future phases of the Energy Accelerator Programme, providing that the value of each scheme is less than £1m.</p> <p>Details of the EA risk management strategy can be found in the Governance and Appraisal Procedure. Essentially, the Programme Lead will be responsible for maintaining a log of risks to the programme, with a particularly focus on delivering ELENA contractual obligations and benefits realisation. The Programme Team will be responsible for maintaining a log of risks to each active project, with a particularly focus on delivering ELENA contractual obligations and benefits realisation. Programme and project risk will be</p>

	reported to the Accelerator Programme Board, which will enable proactive as opposed to reactive management of the portfolio.
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Scheme Summary

Name of Scheme:	Leeds District Heat Network (LDHN)
PMO Scheme Code:	GD-PA3-003
Lead Organisation:	Leeds City Council
Senior Responsible Officer:	David Outram
Lead Promoter Contact:	Polly Cook
Applicable Funding Stream:	Growth Deal – Local Growth Fund.
Growth Fund Priority Area (if applicable):	Priority 4 – Infrastructure for Growth
Forecasted Full Approval Date (Decision Point 5):	September 2017
Forecasted Completion Date:	April 2019
Total Scheme Cost (£):	£21,276,000
WYCA Funding (£):	£4,000,000
Total other private sector investment (£):	N/A
Is this a standalone Project?	Yes.
Is this a Programme?	No.
Is this Project part of an agreed Programme?	No.
Current Funding Allocation:	No funding has been allocated to this scheme.

Current Assurance Process Activity:



Scheme Description:

The project involves the construction of a new 4.5 kilometre District Heating Network (DHN) using super-insulated steel pipes, to connect the Recycling and Energy Recovery Facility (RERF) in the Aire Valley to customers across the City of Leeds. Heat will be extracted from the turbine in the form of steam which will be used to transfer heat to the DHN via a heat exchanger. The network will be owned and operated by Leeds City Council.

Aim: To construct the first phase of a citywide district heating network, to provide lower cost and lower carbon heat from the perimeter of the city to businesses and residents in dense urban areas.

Headline activity: Construction of a c4.5km district heating network, using super insulated steel pipes, to connect the Recycling and Energy Recovery Facility (RERF) in the Aire Valley to businesses in the city centre and council tenants to the north of the city centre.

Impact: The project will reduce vulnerable residents' fuel bills by c10% to tackle fuel poverty, maximise CO2 emission reduction opportunities associated with the RERF and stimulate additional investment in district heating networks.

The project's objectives are to:

- To complete construction of the first phase of a city-wide district heating network.
- To achieve annual heat sales of c16,400 MWh in the 2019/2020 financial year.
- To achieve annual CO2 reductions of 4,400 tonnes in the 2019/2020 financial year.
- To reduce notional fuel bills by between 11-30% (a direct saving of up to £250 pa per household converted from electrical heating to district heating) to tackle fuel poverty.
- To create c23 direct professional jobs c533 construction jobs, 2 long-term operational jobs and c419 indirect permanent jobs.

Business Case Summary:

Strategic Case	<p>The project makes a strong strategic contribution to the Leeds City Region's vision. The DHN responds to 2 challenges within Priority 3 of the Strategic Economic Plan, Building a resource smart City Region:</p> <ul style="list-style-type: none">• To reduce rising energy costs for businesses as a result of inefficient buildings, infrastructure and business models• To address limited investment, and investment-ready projects, in decentralised low carbon energy <p>Key action areas under Priority 3 include to develop new energy infrastructure (including energy efficiency, energy generation, supply chain and distribution and storage) across the Leeds City Region.</p>
Commercial Case	<p>The council is committed to connect c2000 flats in c30 multi-storey blocks to the network, together with several large city centre office blocks, public buildings, for example the College of music and West Yorkshire Playhouse and city centre developments.</p>

	<p>There is a strong appetite for DH in Leeds, with potential customers motivated by cheaper, more resilient heat supply, a reduction in plant room size in expensive city centre real estate and lower carbon emissions.</p> <p>Procurements have now been concluded and Vital Energi have been awarded conditional contracts for both the spine and housing projects. The spine procurement was for a single company to deliver a design, build and operate contract (DBO) for the construction of the energy centre, district heating network and connections into customers' buildings and the long-term operation and maintenance of all aspects of the network.</p>
Economic Case	<p>The investment in district heating has the potential to create:</p> <ul style="list-style-type: none"> • Total annual fuel bill savings of c£525,000 (1440 * £250) or c£21m over the 40 years of the project; • Total annual NHS treatment cost savings of £576,000 (1440 * 400) or c£33.6m over the 40 years of the project. <p>The Carbon Trust identified the following wider economic benefits of the Leeds City Region Strategic Heat Programme :</p> <ul style="list-style-type: none"> • Long-term job creation and training benefits through stimulating the growth of a new district heating industry across the region; • More efficient local heat generation, leading to lower reliance on gas and electricity, relieving grid capacity constraints and reducing the need for investment in grid strengthening; • Lower cost, less volatile, more reliable and more resilient heating with lower maintenance costs that helps attract and retain businesses; • Locally owned heat distribution that leads to greater retention of wealth within the local economy.
Financial Case	<p>The Local Growth Fund investment of £4m is matched by £17.276m of council investment.</p> <p>The project costs are based on Vital Energi's tender. This fixed price contract sets a ceiling on project costs. The contractor can introduce an element of innovation and value engineer the solution to deliver equivalent outcomes at a lower whole-life cost.</p>
Management Case	<p>The overall day-to-day project activity will be managed by a team based in Leeds City Council, which will report to the Environment Programme Board (the project board). The Chief Officer (Projects, Programmes and Procurement Unit - PPPU) will have overarching responsibility for the delivery of the project, with the Executive Programme Manager having day-to-day management responsibility.</p>

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Scheme Summary

Name of Scheme:	Bradford Shipley Canal Road Corridor – New Bolton Woods (NBW) Phase 3
PMO Scheme Code:	GD-PA4-018
Lead Organisation:	City of Bradford Metropolitan District Council (CBMDC)
Senior Responsible Officer:	Steve Hartley
Lead Promoter Contact:	Simon Woodhurst
Applicable Funding Stream:	Growth Deal – Local Growth Fund.
Growth Fund Priority Area (if applicable):	Priority 4 – Infrastructure for Growth
Forecasted Full Approval Date (Decision Point 5):	September 2017
Forecasted Completion Date:	October 2021
Total Scheme Cost (£):	£25,731,000
WYCA Funding (£):	£3,600,000
Total other private sector investment (£):	£22,131,000
Is this a standalone Project?	Yes.
Is this a Programme?	No.
Is this Project part of an agreed Programme?	No.
Current Funding Allocation:	No funding has been allocated to this scheme.

Current Assurance Process Activity:



Scheme Description:

The request for funding from West Yorkshire Combined Authority (WYCA) covers rehabilitation of 5.66 hectare (Ha) of brownfield land through preparation and abnormal infrastructure works to facilitate commercial housing development by the private sector.

WYCA support will ensure private sector engagement in delivery of 145 new homes by 2021 at New Bolton Woods (NBW) Phase 3, part of a mixed-use regeneration scheme to create an urban village with over 1,000 new homes in the central segment of the Bradford Shipley Canal Road Corridor (BSCRC) regeneration area. The BSCRC aims to deliver 3,000 homes by 2025.

The NBW masterplan has at its heart, a food store, shops, school, health facility, leisure and workspace in high street style with water management infrastructure to enhance open spaces and the green environment.

The NBW regeneration scheme is being delivered through a Public Private Partnership in the form of an asset based joint venture company (JVCo), Canal Road Urban Village Ltd., (CRUVL) established by CBMDC in partnership with URBO Regeneration Ltd.

The project's objectives are to:

- Prepare 5.66Ha of brownfield land for housing development by August 2018; and,
- Deliver commencement and completion of 145 new homes by 2021.

Business Case Summary:

Strategic Case

NBW development takes into account local transport initiatives including WYCA Transport Fund supported highway improvements to the A6037 Canal Road due for completion by 2021.

BSCRC is identified as a LCR Spatial Priority Area in the Combined Authority's **Strategic Economic Plan** to 2036, and in the AAP of Bradford's emerging local plan where CBMDC's Executive endorse it as a priority initiative.

As a LEP Spatial Priority Area, BSCRC has a target to create 3,000 homes by 2025, whilst NBW within it has ability for 1,000.

The Government aims to secure economic growth, create jobs and prosperity and build on inherent strengths, whilst addressing the challenge of global competition and a low carbon future. National Planning Policy Framework 2012 states planning should achieve sustainable development via economic, social and environmental dimensions.

The economic and social offering of NBW Phase 3 will contribute to a sustainable economy and community where economic growth is stimulated in a significant area of new homes for local people able to access local services and benefit from improved wellbeing.

The Local Plan has a strategic objective to provide the shortfall of 42,000 homes by 2028, with the BSCRC seen as having potential to deliver 3,000 with 1,000 of them in the NBW regeneration scheme.

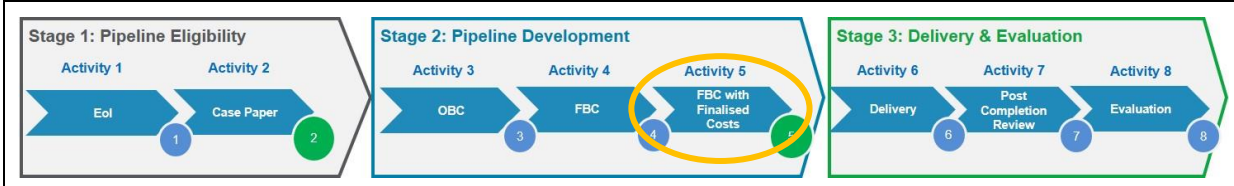
Commercial Case	<p>CBMDC's Core Strategy DPD publication indicates that due to the predominantly young, diverse and growing nature of its population there is a requirement for 42,000 new homes by 2028 with a significant proportion needed in the inner urban areas including the BSCRC and NBW locations.</p> <p>NBW has an emerging housing market, which linked with local demographics dictate the pricing strategy of the housing which must be affordable with phasing of delivery in step to suit the developing market.</p> <p>A 2014 market assessment report by Wilkins Hammond, (Chartered Surveyors) has been used to form pricing and delivery strategies. A development appraisal between CRUVL and development partner Keepmoat using an updated market research report produced by Countrywide Integrated Solutions in April 2017 has been produced to evidence demand.</p>
Economic Case	<p>The investment of public to private ratio at 1:6.42 is good value for money and will result in 145 houses built on 5.66Ha of brownfield land within 2 miles of the City centre.</p> <p>LGF investment in NBW Phase 3 to cover the majority of abnormal site development costs will result in the private sector proceeding immediately with delivery of new homes sooner than if left to future variables and uncertainty of the property market.</p> <p>Once completed NBW will accommodate 5,000 residents whose presence, activities and needs will create a major economic stimulus to the City.</p> <p>The LGF contribution would equate to a VfM of £23.8 per unit, delivered at a leverage ratio of 5.13:1 Private to Public Sector investment.</p>
Financial Case	<p>There is a competent delivery partnership behind the project. LGF investment would create viability of the development and lead to early delivery on a financially viable basis by the private sector.</p> <p>CBMDC's JVCo, CRUVL has appointed Keepmoat Homes Ltd., as sub-developer for NWB Phase 3.</p>
Management Case	<p>Project administration will be by CBMDC's Economic Development Service through its JVCo CRUVL.</p> <p>Keepmoat will be responsible for carrying out project design, planning, construction and sales.</p> <p>The programme start on site is currently January 2018 with the last of the 145 units being sold by October 2021.</p> <p>Risks will be mitigated by site investigation to appreciate development challenges, provide high-quality design of cost effective solutions to deal with development constraints and establish cost and project management processes with suitable contingencies.</p> <p>A full planning application for NBW Phase 3 will be submitted by July 2107 with permission secured by end of September 2017.</p>

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Section A: Project Details

Name of project:	WYCA Park and Ride Programme – Hebden Bridge
Location of project (including postcode):	Car Park extension at Hebden Bridge rail station, Station Road, HX7 6JE
Lead organisation:	WYCA
Type of organisation:	Combined Authority
Lead Promoter contact:	Peter Coello
Position:	Project Manager, WY+TF
WYCA Case Officer:	Jessica McNeill, Programme Manager, WY+TF
Applicable Funding Stream:	West Yorkshire plus Transport Fund
If part of Growth Fund, which Priority Area is it part of?:	Priority 4, Infrastructure for Growth
Forecasted Full Approval Date:	July 2017
Forecasted Completion Date:	March 2018 (programme includes for snagging)
Total project cost (£):	£626,200.38
WYCA funding request (£):	£626,200.38
WYCA funds as % of total project investment:	100%
Total other public sector investment (non-WYCA funding):	N/A
Total other private sector investment:	N/A

Current Assurance Process Activity:



Project description:

Between 1998-2011 the number of rail passengers in Yorkshire grew by 65%; this growth is expected to continue with a 37% increase by 2027 (Source: Yorkshire Rail Network Study March 2012).

Car park occupancy surveys conducted by WYCA between 2013-2016 at 46 West Yorkshire rail stations demonstrated capacity issues, especially at peak times; by 9am 48% of rail station car parks were 100% occupied and 86% of car parks were at 90%+ capacity. Suppressed demand at rail station car parks constrains the opportunity to enhance connectivity to, from and within West Yorkshire.

The National Passenger Survey (Spring 2011) for the Yorkshire & Humber region indicated 81% of the respondents who drove, when asked, had no alternative mode of transport to the station and only 59% of respondents were satisfied with car parking at rail stations.

Therefore, as part of the West Yorkshire Plus Transport Fund, a package of car park extensions at rail stations has been identified to enhance connectivity to, from and within West Yorkshire. The purpose of the package is to increase car parking capacity at selected stations to support sustainable employment growth in the main urban centres however it will also support more travel into and between the urban centres by rail for other purposes. The package will produce other local benefits such as the reduction in on-street parking. The Programme Mandate defined the scope of works to the rail station car park only and did not include the rail station itself, adjacent highways or alternative modes of transport to and from the rail station.

The package has been identified as an early win for the Transport Fund and the programme consists of 15 sites that have been prioritised according to deliverability, in particular sites that have adjacent Network Rail land available.

The extension of the existing rail station car park at Hebden Bridge to provide the following:

- 127 standard car parking spaces.
- 4 Blue Badge car parking spaces.
- An increase in overall car park capacity, from 81 to 127 (an increase of 56%).
- Additional CCTV and lighting.
- Re-surfaced and re-marked existing car park surfaces.
- Enhanced drainage infrastructure, with fuel and oil interceptors.
- Provision for 2 x EV charging bays.

Project objectives:

1. Enhance Rail Accessibility

Extend free rail car parking and enhance employment accessibility, through the provision of additional car parking spaces.

Improve overall journey times, through better access to the rail network.

Increase provision of Blue Badge parking bays.

2. Increase access to employment and facilitate growth

Gross Value Added (GVA) at Programme Level – £8.2m

Employment Benefit at Programme Level – an additional 117 jobs

3. Deliver carbon savings

Reduce car journeys and encourage modal shift onto rail, through improved accessibility to the rail network.

Key activities to be funded:
<p>The WY+TF will be used to pay for 100% of the scheme and will include:</p> <p>Design and Build contract</p> <ul style="list-style-type: none">• Development costs, including surveys and a detailed design• Construction costs <p>Whilst there is no capital funding from the Rail Industry, the TOC, Northern, will maintain and operate the car park extension within their existing revenue budget.</p>

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Section A: Scheme Summary

Name of Scheme:	LEP Loan 315 - Fresh Pastures Dairy Facility
PMO Scheme Code:	LL 315
Lead Organisation:	Fresh Pastures Ltd
Senior Responsible Officer:	Graham Morley
Lead Promoter Contact:	Graham Morley
Applicable Funding Stream:	LEP Growing Places Loan Fund
Growth Fund Priority Area (if applicable):	N/A
Forecasted Full Approval Date (Decision Point 5):	29 June 2017
Forecasted Completion Date:	September 2017 – works completion on site July 2022 – repayment of loan
Total Scheme Cost (£):	£4.8m
WYCA Funding (£):	£0.8m
Total other public sector investment (£):	£0
Total other private sector investment (£):	£4m
Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	None

Current Assurance Process Activity:



Scheme Description:

Fresh Pastures (FP) is a small milk processing company, specialising in the supply of milk in 1/3rd pint cartons to the school market. FP is currently seeking a loan of £800k from the LEP Growing Places Loan Fund. The purpose of the loan is to fit out its new facility in Normanton to the required standard for food grade manufacture. Completing the facility will consolidate manufacture and storage from three sites to one and allow expansion of production. The loan will enable this to be completed in the 'shutdown' created by the school summer holidays. The loan will enable a facility completed to building standards with the help of private finance to receive the specialist fit out needed for a food processing plant so that growth of production and jobs is accelerated.

The new facility will bring both efficiencies and scope for expansion and includes plans for new products.

The loan application follows the award of a Business Growth Grant in late 2015 of £690K. The loan will consolidate the original investment and support further business growth and the creation of both jobs and apprenticeships.

Business Case Summary:

Strategic Case	The project enables continued job creation in a locally grown business with an ethos that is well integrated with regional suppliers and customers. Strong fit with the strategic aspirations of the city region in area still adapting to the loss of traditional industry.
Commercial Case	The Company is an innovator with a successful history of growth achieved in accordance with its social enterprise values. The availability of the facility for September will equip the company to reopen to supply the schools milk market with more efficiency and with economic savings that can be reinvested.
Economic Case	Jobs and apprenticeships will be created and the facility has potential to generate over £20m of economic gains over 10 years for the city region economy.
Financial Case	The loan is made against a private sector input of over £3m. The loan will be repaid over 5 years with interest. The financial potential of the business to generate future returns is recognised by its private financial lenders.
Management Case	The Company have harnessed the professional knowledge of broad team of specialists and have the ability to deliver the project appropriately. The design and vision for the completed facility is very clear and thoroughly researched.

Section A: Scheme Summary

Name of Scheme:	Strategic Inward Investment Fund
PMO Scheme Code:	GD-PA1-009
Lead Organisation:	WYCA
Senior Responsible Officer:	David Shepherd
Lead Promoter Contact:	Samuel Lewis
Applicable Funding Stream:	Growth Deal 3
Growth Fund Priority Area (if applicable):	Priority 1 – Growing businesses Priority 2 – Skilled people, better jobs
Forecasted Full Approval Date (Decision Point 5):	23-07-17
Forecasted Completion Date:	01-04-21
Total Scheme Cost (£):	£12.45m
WYCA Funding (£):	£12.45m
Total other public sector investment (£):	£0
Total other private sector investment (£):	£0 (£108m Private sector investment levered)
Is this a standalone Project?	No
Is this a Programme?	Yes – Individual projects within the Programme will be subject to selection criteria and appraisal.
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	£13.45m allocated through the Growth Deal 3 (includes SIIF and Digital soft landings), with a total £12.45m allocated for SIIF at decision point 2. No additional allocations.

Current Assurance Process Activity:



Scheme Description:

This is a scheme to support inward investing businesses to locate in Leeds City Region. The scheme was outlined in the Leeds City Region submission to Growth Deal 3 and £13.45m of funding was allocated, of which **£12.45m** will be allocated towards the Strategic Inward Investment Fund. (the remaining £1m is allocated to Digital Soft Landings)

This scheme has been designed subject to the applicable State Aid regulations which will enable the region to compete against UK and international locations to win 'mobile' projects from eligible inward investor businesses. Applicants will be required to complete full business case applications demonstrating strong claims for additionality and the incentive effect.

The scheme is specifically intended to support larger companies with projects which will make a substantial impact in terms of job creation and wider economic outputs. For this reason we expect applications to be for funding support larger than £250,000 and, in the main, lower than £1 million. However, there will be no upper limit on the size of applications.

The scheme will run until 2021 and we will support the creation of over 1,245 gross new jobs to the Leeds City Region, supporting strategic inward investing businesses in the City Region's priority sectors.

Business Case Summary:

Strategic Case	The strategic case is clearly set out to illustrate that the objectives of the scheme meet the SEP requirements for business growth and job creation. Also to target key business sectors to further support SEP delivery. Direct intervention for inward investment to support growth of the City Regions economy.
Commercial Case	Market demand is illustrated by case studies included within the submission showing competition from other regions who already have devolved funding and similar inward investment grant schemes. Further evidence provided by the number of enquiries currently 'on hold' with the Inward investment team.
Economic Case	Short list options testing has been carried out with one clear preferred option. The Regional Econometric Model (REM) has been used to consider value for money and cost per job. The scheme provides good value for money and GVA growth resulting from the number of jobs created and the high level of private sector investment levered as a result of this investment.

Financial Case	<p>£12m to be provided in direct grants to businesses, the remaining £450k is allocated to the management and scheme development costs as well as additional legal and state aid advice as necessary.</p> <p>This inward investment package has the ability to lever a further £108m of investment from the private sector to improve jobs and skills within the City Region.</p>
Management Case	<p>Delivery of this scheme will be through the existing Inward investment team, with the additional of the appointment of a Grant Fund Manager (the costs for this are included within the £450k management costs).</p> <p>Each project coming forward under this scheme will be subject to individual appraisal and assurance. This will be managed under the existing Assurance Framework.</p>

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Section A: Scheme Summary

Name of Scheme:	Business Growth Programme
PMO Scheme Code:	GD-PA1-006
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	Sue Cooke
Lead Promoter Contact:	Henry Rigg
Applicable Funding Stream:	Local Growth Fund
Growth Fund Priority Area (if applicable):	Priority 1
Forecasted Full Approval Date (Decision Point 5):	18 August 2017
Forecasted Completion Date:	31 March 2021
Total Scheme Cost (£):	£9m
WYCA Funding (£):	£9m
Total other public sector investment (£):	£0
Total other private sector investment (£):	£59m match funding
Is this a standalone Project?	Yes
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	Growth Deal
Current Funding Allocation:	Original allocation from Growth Deal 1 & 2 £18m

Current Assurance Process Activity:



Scheme Description:

The Business Growth Programme (BGP) launched in February 2013, with funding previously awarded through the regional growth fund (for the original programme which ran from February 2013 to March 2015) and from the local growth fund (for the current programme which commenced in April 2015 and is funded until March 2018). The Growth Deal 3 award of £9m will allow continuation of the scheme through to March 2021.

The programme will continue to support businesses operating within the LEP's priority sectors (manufacturing, low carbon & environmental, financial & business services, digital & creative and health & life sciences) to provide grants of between £10,000 and £250,000, where grant support is needed/adds value by filling a funding gap, accelerating an investment, enabling an investment to happen on a larger scale or in a particular location. The programme will primarily support SMEs, though large companies may be considered by exception.

Funding will support the expansion, modernisation and diversification of economic activities. Activities supported include the purchase of plant, machinery and equipment, fit out of new premises and alterations and extensions to existing premises. Research and development activity (excluding basic/fundamental research) will be supported where this supports employment and business growth.

Investments must be specifically linked to job creation, or clearly demonstrate the investment is linked to growth (e.g. in the supply chain) or skills development (leading to a recognised qualification). Overall, the programme will lead to productivity improvements and a net increase in the average number of employees in recipient businesses. All employment posts will be maintained for at least 3 years in SMEs and at least 5 years in large businesses. All applicants will be expected to provide match funding of at least 80%. The programme aims to provide an overall funding ratio of at least 1:4 (Public to Private).

Applicants will be required to provide a business case and demonstrate the additionality grant support will bring to the project.

Funding will in most cases be awarded through the General Block Exemption Regulations, which allow provision of support at a 20% intervention rate for small businesses or 10% for medium sized businesses (and 10% for large businesses in assisted areas). In some cases (where the business is a large company and the project is not located in an assisted area) funding will be awarded through De Minimis provisions, which allow grant support of up to 200,000 euros in a rolling three year period.

The scheme will run until March 2021 and will support the creation of over 500 net new jobs to the Leeds City Region, supporting 160 businesses in the City Region's priority sectors and leveraging in £50m of private sector investment.

Business Case Summary:	
Strategic Case	<p>The project addresses Priority 1 of the SEP: Growing Business. It provides a capital grant aimed at assisting businesses to grow and create new jobs.</p> <p>The objective of the BGP is to incentivise and support businesses to grow through provision of grant finance. The grant facilitates access to other funding, both public and private sector.</p> <p>The project is one element of the LEP strategic approach to business support. The gateway to accessing a range of support is the Business Growth Service which provides advice to business on a range of support available to them through the public and private sector.</p>
Commercial Case	<p>A variety of evidence has been provided to support the requirement for the programme. This includes local evidence obtained through the Business Growth Service relating to enquiries and anecdotal evidence from businesses.</p> <p>The current programme is very successful in take up and payment of grants, numbers of businesses supported and grants paid and leverage of private sector investment. Note: total number of jobs created to date 2980.</p> <p>The programme has reached a momentum and continues to receive grant applications and pay grants at a fairly predictable level although it is notable that applications for large grants, over £100k, have declined over the last few months (and there appears to be circa 15% drop out of approved grants at this level which are not taken up) and applications for small grants, under £100k, where numbers are increasing.</p> <p>As it is an existing programme delivery arrangements are in place and do not need to be procured.</p>
Economic Case	<p>The programme supports the creation of 500 new jobs through the provision of a grant to 165 businesses.</p> <p>The business case has not considered scaling of the funding as the programme is able to take up whatever additional funding is available. Instead consideration has been given to changes that could be made including tightening or relaxing the criteria in various ways (including reducing maximum grant levels) and broadening the sector criteria to either speed up or slow down the level of grant applications. Another option considered is to offer a grant / loan mix. Each option has been considered in terms of the Critical Success Factors.</p> <p>The value for money of the scheme has been assessed with a benchmark cost per job (also a target for the overall scheme) of £13,500 per job.</p> <p>Low carbon and environmental benefits of the programme are considered within each application and in the development of the programme overall. The aim to support local supply chain development is a particular focus of the programme.</p>

Financial Case	<p>The funding sought is £9m and, of this, an estimated cost of £0.9m will be spent on the costs of delivering the programme. This includes: staffing to undertake management, processing and monitoring of the grants, legal fees, due diligence, consultancy advice and marketing. A, breakdown of these costs has been provided in the FBC. A provision of £20k has been included to undertake evaluation.</p> <p>Appendix 2 of the business case sets out a detailed profile of commitment and expenditure for the programme to date and forecast from 2017/18 onwards. This takes into consideration the three funding routes: Growth Deal 1 and 2, Access to Capital Grants and the new Growth Deal 3 monies (this table is attached for consideration).</p> <p>Financial risks have been identified which include: business not taking up grant that has been approved resulting in a programme underspend; non-compliance with State Aid rules; fraudulent activity by grant applicants; risk of over-commitment.</p>
Management Case	<p>This is the continuation of an existing programme so issues relating to the management of the programme including: delivery, responsibility, governance, implementation timetable, delivery constraints, communications strategy and monitoring and evaluation have already been addressed.</p> <p>Headline risks to the programme have been review and revised as these were originally considered before the programme commenced in 2012. The main risks to the programme are now considered to be: early / full commitment of funds; Brexit impact; other natural or economic shocks; conflict of interest (particularly in relation to private sector LEP members); poor quality applications; state aid non-compliance.</p>

Director: Melanie Corcoran,
Director of Delivery
Author: Dave Haskins



Report to: West Yorkshire and York Investment Committee

Date: 6 September 2017

Subject: Wakefield Eastern Relief Road: Change Request

1. Purpose

- 1.1 To provide Investment Committee with information relating to the submitted Change Request from Wakefield Council for the recently completed Wakefield Eastern Relief Road (WERR), to highlight key lessons learned and to recommend that the cost over-run be met from the West Yorkshire +Transport Fund.

2. Background

- 2.1 The Wakefield Eastern Relief Road (WERR) is a 5.5km single carriageway highway between the A638 Doncaster Road to the south east and the A642 Aberford Road to the north east of the city centre. The Road crosses the River Calder and the Wakefield–Normanton–Castleford railway line. A plan of the scheme is provided as **Appendix 1**.
- 2.2 Gateway 3 Approval (equivalent to Full Business Case/Decision Point 5 in the current Assurance Process) was granted by WYCA in December 2014 with a total pre-tender project cost estimate of £33.954m. Following a tender process, a Funding Agreement was signed between Wakefield Council and WYCA in October 2015 for a total ceiling cost of £32.019m which included the provision for any cost over-runs beyond this ceiling figure to be met by Wakefield Council.
- 2.3 The funding agreement made requirements for a Pain:Gain share arrangement. However, that arrangement would only have been applicable where there was a shift in target costs rather than where compensation events are the cause of cost increases. This was not the case.
- 2.4 The funding agreement, dated 12 October 2015, states that “The recipient (Wakefield Council) are to pay any costs of the project which are not payable from the grant”. WYCA are therefore under no obligation to make payments over and above the contracted amount.
- 2.5 The scheme is now complete and opened to the public on 27 April 2017, and is viewed as a significant success in terms of the strategic benefits that it will deliver. These benefits are already materialising with the first phase of housing development

adjacent to the road at City Fields well under way, with 329 new homes either completed or under construction. Planning applications for further stages of development are well advanced, with projections of over 2,000 houses coming forward. This is a strategically significant scheme in the Leeds City Region providing access to a large strategic site providing housing development, reducing decongestion and improving journey times.

- 2.6 The total project cost is currently estimated at as a maximum figure of £37.593m, some £5.574m (or approximately 15%) over the designated budget approval. Notwithstanding the cost increase, the project still represents 'very high' Value for Money with a Benefit:Cost ratio of 8.89 (reduced from 10.4). The causes leading to the cost over-run and the measures taken to mitigate them are explored below.

3. Causes of the Change Request

- 3.1 A summary of project costs as supplied by Wakefield Council is provided as **Appendix 2**. This is exempted information as set out in 7.1 due to ongoing discussions between Wakefield Council and the Contractor.
- 3.2 The identified causes of the project change are set out below. Key lessons learned are provided as **Appendix 3**.

Treatment of Risk

- 3.3 The DfT Green Book requires the application of both risk and Optimism Bias during the development of the scheme.

Risk Register

- 3.4 In line with standard practice for construction projects, a risk register was developed for WERR which set out the full extent of risks that Wakefield Council believed could potentially have materialised on the project. These risks were rated by probability of occurring and their potential impact. The supplied April 2015 risk register shows that using standard risk techniques, a risk figure of £3.468m was generated. The cost figures provided at the time of the Funding Agreement (October 2015) set out a lower risk figure of £2.866m together with a project contingency of £1.5m. This represented an overall risk plus contingency level of around 13%.
- 3.5 A review of the project risk register by WYCA post-completion has shown that a number of key risks materialised which had been allocated insufficient risk cost. These included unforeseen ground conditions, design changes, construction risks, land access costs paid to Network Rail and traffic signals costs. Had these risks been more fully understood and costed, it is arguable that a higher risk cost allocation would have been included with the Funding Agreement, and that the project over-spend would have been lower – albeit with a potentially higher budget ceiling figure agreed. The budget allocation to Wakefield Council set at the time of the funding agreement was partly a function of the calculated risk figure.

Optimism Bias

- 3.6 As risk is based on probabilities as well as estimates, Optimism Bias is added to the calculated costs for all projects. This starts at a designated figure depending on scheme type and is then reduced during the feasibility and design stages to allow for more accurate costings and possible identified reductions in the risk.
- 3.7 Between the approval at Gateway 3 (as 2.2 above) and the signing of the funding agreement, Wakefield Council were advised by WYCA to remove all Optimism Bias allowance from the submitted business case on the understanding that provision would be made centrally within the WY+TF programme and managed outside the project. However, as WY+TF projects have progressed through our revised Assurance Process, the expectation now is that these costs are included within approved project costs.

Accelerated Start on Site

- 3.8 The project was identified as an “early win” for the overall Transport Fund. In order to achieve delivery within Programme, the timing of the construction was such that there was a fixed point in the works for the construction of a rail-over-road crossing to be completed. This was between 25 and 26 December 2015, when the railway would be closed.
- 3.9 This closure needed to be planned in late 2013, in line with Network Rail’s required two year notice period. This became a fixed point in the project. All other dates in the procurement / agreement process had to be calculated forward or back from this date.
- 3.10 If this timetable had not been met, the next time the correct conditions would occur would have been Christmas 2020. Due to the above restriction, all delays / problems with the railway bridge works leading up to Christmas 2015 had to be dealt with by accelerating works at cost.
- 3.11 Wakefield Council have notified WYCA that the need for an accelerated start has impacted on costs to the order of around £340,000.

On-site issues

River Bridge Design

- 3.12 Problems were encountered with the design of the river bridge. The required design check by an independent consultant advised that the bridge was under-designed and needed larger steel. A few additional weeks were needed to overcome this problem. Wakefield Council took the view that the cost of the additional works would be substantially less than the ongoing delay costs.

Ground Conditions.

- 3.13 Despite pre-works site investigations, a critical number of piles for the river bridge failed to achieve “sett”. This required additional works to be carried out that could not have been foreseen.

- 3.14 Phase 3 of construction also ran across poor ground conditions, formed by fill created from inert waste. Again, although substantial ground investigation was carried out and a large allowance made in the budget for ground improvement, a small area was found to be substantially poorer than elsewhere and had to be dealt with, at an added cost.

Network Rail

- 3.15 A large unexpected cost while on site was a £1m “Shared Value” charge made by Network Rail for access under their railway. Shared Value is defined by Network Rail as where a land owner seeks a share of the increase in value created when it grants property rights in respect of its own land, to a developer, and this increases the value of the developer’s land. This figure appears to have been established on the basis of future development opportunities off the new road rather than on any more scientific basis.
- 3.16 The figure of £1m was requested by Network Rail following the awarding of the construction contract, and was agreed by Wakefield Council on the basis that the timescale window for construction was tight/fixed due to the bridge possession schedule. Wakefield Council, as the highway authority, had allowed £350,000 in the original scheme estimates.
- 3.17 Since Wakefield Council have agreed the £1m figure with Network Rail, grounds for appeal would appear to be limited – although it is arguable that Wakefield Council only agreed the figure because of the time constraints relating to the rail possession, and that the costs of not agreeing to the figure would have delayed the project by 5 years. This cost needs to be challenged.

4. Reporting of the Change Request

- 4.1 WYCA was made aware of the projected overspend in the 2016/17 Q2 return at the end of September 2016; a projected £34.9m projected outturn against the £32.019m Funding Agreement figure. WYCA requested Wakefield Council for formal notification of the Change Request and to submit a request for approval for a projected overspend.
- 4.2 A Change Request was submitted by Wakefield Council to WYCA in February 2017, which highlighted a requirement for an additional £5m approval – implying an approximate £37m outturn cost. This report was brought to the 8 February 2017 Programme Appraisal Team (PAT) meeting. The detail sitting behind these figures was not available at that time, therefore a request was made for a more comprehensive breakdown of the increased costs and the rationale behind the overspend from Wakefield Council prior to formally reporting the exception. A revised Change Report was submitted to the PAT on 28 June 2017.

5. Dealing with the Change Request

- 5.1 This Change Request presents the first challenge to the WY+TF programme in terms of how it balances the need to support Districts and scheme promoters in delivering

projects to defined timescales (and delivering outcomes), against the need to demonstrate that robust processes are in place.

- 5.2 It is clear that a number of unforeseen and unplanned circumstances arose during the delivery of the WERR project, and that a Funding Agreement was in place to deal with such matters. However, the Assurance Framework was in the early stages of definition and challenges that were faced in terms of Wakefield Council defining risk were not fully addressed prior to any Funding Agreement being reached.
- 5.3 What is also clear is that the situation would not have arisen had the current Assurance Process been in place, since project tolerances and the management of risk would have been given significantly greater scrutiny. Less clear is whether the initial budget estimates and the understanding and allocation of risk were sufficient to deliver the scheme.
- 5.4 Three options have been considered in dealing with the Change Request. These are:
- Accepting the extenuating circumstances around WERR, that WYCA fully meet the cost of the change through the WY+TF budget. Alongside this, Wakefield Council seek to reduce the £1m Network Rail 'Shared Value' charge and negotiate with contractors around liability in areas such as bridge design (these are common to all options);
 - Accepting that there was a lack of clarity from WYCA around the treatment of Optimism Bias/risk within the approved project costs, agree to meet half of the cost over-run from the WY+TF budget, with the other half potentially coming from Wakefield Council; and
 - All elements of the cost over-run falling to Wakefield Council, as per the Funding Agreement.
- 5.5 In the course of discussions with Wakefield Council in respect of the means by which the overspend would be funded, they have indicated that if it were to fall on Wakefield Council, then there is a high likelihood that front-line services would be affected.
- 5.6 The WY+TF funding is currently fully allocated to projects and programmes, and no headroom theoretically exists to meet the cost over-run. However, we have committed to accelerating projects, and over time there could be changes within the programme which results in:
- Projects where there is programme slippage (and hence no or reduced expenditure);
 - Projects which come in under-budget – where some of the allocation remains unspent; and
 - Projects which may not proceed at all, or may do so with a reduced scope (and cost).
- 5.7 As a result of the above, WYCA has a reasonable degree of confidence that the Change Request as presented can be accommodated within the overall programme and that the initial option set out in 5.4 (above) be brought forward.

- 5.8 WYCA are clear that the means of dealing with this Change Request will not become the norm and are mindful that the precedent of approving the change may have ramifications in terms of other Districts perceptions of the Assurance Process. The rationale here is clear, in that due to the issues around the Assurance Process at the point in time at which WERR was approved, allowances have had to be made in resolving the Change Request at this stage. Had the current Assurance Process been in place, it is likely that WYCA would have made an allowance for at least some of the expenditure in the Funding Agreement. As set out in Section 2.6 of this report, WERR does still represent 'Very High' Value for Money with a Benefit:Cost ratio of 8.89 and is already delivering a range of strategic benefits.
- 5.9 Going forward Funding Agreements will be adhered to, which WYCA believe is a defensible position due to the robustness of the Assurance Process that has been implemented after WERR was approved.

6. Financial Implications

- 6.1 As a consequence of implementing the recommendations of this Change Request, Wakefield Council will require up to an additional c£5m from the WY+TF. This presents risks to the affordability of the overall programme, although it is considered that this will be mitigated by the extent of 'flux' that relates to schemes within the programmes coming in under cost or through slippage in programme terms.

7. Legal Implications, Access to Information

- 7.1 The information contained in **Appendix 2** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.
- 7.2 A Funding Agreement is in place between WYCA and Wakefield Council to cover the eventuality of a cost over-run on the project. Non-adherence to future Funding Agreements presents a risk to WYCA funding, although processes are now in place to ensure that there is no ambiguity around risk and project processes going forward.
- 7.3 An addendum to the Funding Agreement will be required to formalise the changes to the agreement in light of the circumstances highlighted in this report and the recommendations made. No payments will be made to Wakefield Council until this document is signed-off by both parties.

8. Staffing Implications

- 8.1 None as a result of this report.

9. Recommendations

- 9.1 That Investment Committee notes the Change Request and recommends to WYCA that the cost over-run be met from the West Yorkshire +Transport Fund and approves expenditure on the project of up to £37.593m, subject to Final Account on the scheme.
- 9.2 That Wakefield Council endeavour to resolve outstanding contractor issues and seek to reduce the cost figure payable to Network Rail.
- 9.3 That an addendum to the Funding Agreement is developed and agreed by both parties to approve payment to Wakefield Council up to the maximum £37.593m costs, subject to evidence around the areas of additional incurred cost.

10. Appendices

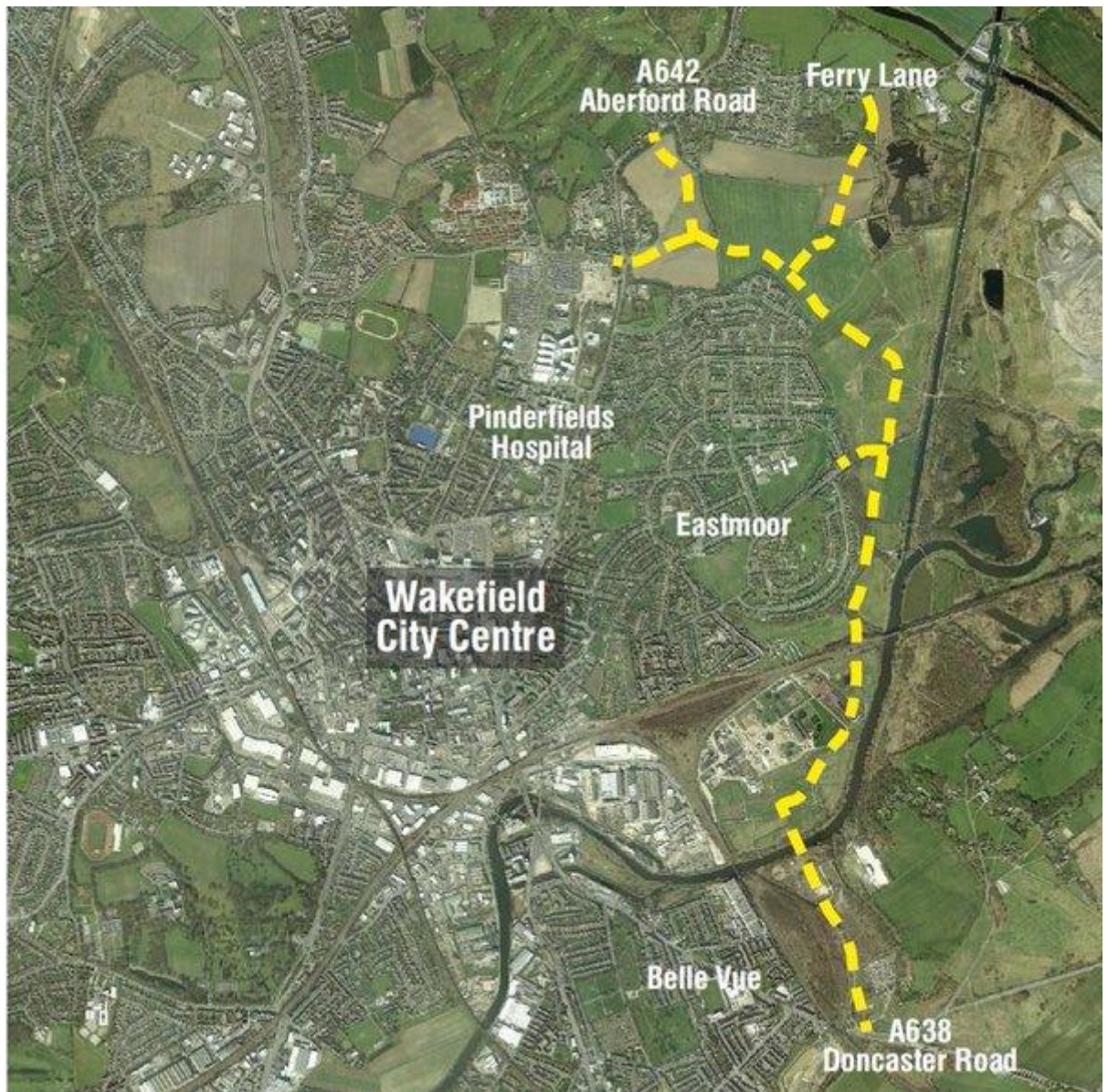
- Appendix 1 – Plan of WERR
- Appendix 2 – Cost Summary (supplied by Wakefield Council)
- Appendix 3 – Lessons Learned

11. Background Documents

- 11.1 None as part of this report.

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Wakefield Eastern Relief Road



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Lessons Learned

The WERR was the first scheme to be delivered from the West Yorkshire + Transport Fund. As a result, elements of the development work were carried out before formal processes were adopted. There have been a number of lessons learned which have flowed from the experience on WERR that fed into the review of the Combined Authority processes that took place in 2015-16.

Risk Register

Whilst there were a number of unforeseen issues that arose during the construction phase, a review of Wakefield Council's risk register has indicated that some of these key risks were not identified, nor was sufficient allowance made for risks arising. In the period since WERR was approved, the Combined Authority has strengthened its approach to risk management and is currently working towards a higher degree of consistency across the WY+TF programme. A programme of training for Combined Authority and District staff in areas of risk identification and management is planned for the near future.

Optimism Bias

WERR suffered from being the initial WY+TF scheme to be delivered, at a time when the Delivery Directorate had not been established, nor had the Portfolio Management Office (PMO) been set up. There was also no clarity provided to promoting authorities with respect to the treatment of risk in terms of Optimism Bias. This situation will not arise with any subsequent projects since they have all been subject to the Assurance Process, which includes review by the Programme Appraisal Team (PAT).

Accelerated Start on Site

The issue that arose around the Network Rail possession is one that future projects need to be acutely aware of. The timescale constraints that the issue presented did lead to increased costs, although it is arguable that these should have been foreseen and allowed for by Wakefield Council in their approved project budget.

River Bridge Design

The consequences of the issues relating to the bridge design led directly to cost overruns, which were compounded by the deadlines around the Network Rail possessions, as set out in 3.9-3.11 in the report. Insufficient risk allowance was built in by Wakefield Council into the scheme costs, as well as limits around liability being set too low. The Combined Authority processes in place now should mitigate similar future events arising.

Ground Conditions

Wakefield Council did undertake ground condition surveys, though these did not highlight any issues in relation to the river bridge location. Insufficient allowance was built into the risk allowance by Wakefield Council for this potential event. The Combined Authority are currently seeking to appoint a Cost Review Manager to

provide both support and challenge to scheme costs for WY+TF projects, which should assist in mitigating similar issues arising on other projects.

Network Rail

The extent of discussion with Network Rail around 'Shared Value' during the development stage of the project is unclear, as is the derivation of the £1m figure by Network Rail. It is recommended that this issue is escalated within Network Rail so that mediation can take place around this figure. This was not highlighted as an explicit risk in Wakefield Council's Risk Register. On all current WY+TF schemes, the Combined Authority expertise in the delivery of rail projects is brought into project evaluation, which should mitigate the risk of a repeat of this situation arising,

Combined Authority Delivery Directorate

Subsequent to the WERR approval, the Combined Authority's Delivery Directorate (which includes dedicated Implementation, Portfolio Management Office and Feasibility & Assurance teams) has been established, overseen by a newly appointed Director of Delivery. The currently robust processes relating to the management and treatment of project risks which were previously not in place have now been developed and embedded.

The Assurance Process, which forms part of the approved the Combined Authority's Assurance Framework (February 2017), has also been significantly strengthened. A Peer Review recently undertaken by another LEP of the Combined Authority's Assurance Framework described it as "best or at least represents very good practice". The Combined Authority roadshows involving all District Partners have been held in recent months to ensure that the principles of the Assurance Framework are embedded with partners and are clearly understood by all.

A Programme Appraisal Team (PAT) was established by the Combined Authority in late 2016 which is represented by Directors and Heads of Service from across the organisation. The remit of the group is to review all of the Combined Authority-funded projects at agreed Decision Points in the Assurance Process and to provide a level of assurance and scrutiny which meets national guidelines. The PAT has reviewed over 100 projects since it was established, and provides vital feedback to scheme promoters on their submitted business cases prior to political sign-off. This level of scrutiny was not in place at the time of WERR's approval, and a number of issues relating to risk management and the treatment of risk allocation may not have arisen otherwise.

Director: Angela Taylor, Director of Resources
Author: Heather Waddington



Report to: West Yorkshire and York Investment Committee

Date: 6 September 2017

Subject: European Structural and Investment Funds (ESIF) – Sustainable Urban Development (SUD)

1. Purpose

- 1.1 To update the Committee on progress made on the development and publication of the SUD Call and outline next steps.

2. Background

- 2.1 On 8 March 2017, the Investment Committee considered and noted the roles and responsibilities relating to Intermediate Body (IB) status delegated to West Yorkshire Combined Authority (WYCA) in order to deliver the SUD Strategy, part of the ESIF Programme.
- 2.2 The Committee, in its advisory role, provided advice on the draft SUD Call at its meeting in June 2017, which was subsequently agreed by the WYCA, at the 29 June 2017 meeting, for it to be published July 2017 by the Managing Authority (MA), Department for Communities and Local Government (DCLG).

3. Progress made to date

- 3.1 The Call was published on Monday 3 July 2017, earlier than expected. The Call will close on Friday 29 September 2017 for outline applications. It is expected that outline applications will be presented to the IC for consideration and advice by November 2017.
- 3.2 A workshop for applicants who are considering applying for the funds was held on 9 August 2017 in Leeds, led by WYCA officers. The event was well attended with over 37 attendees and which was well received. Information was provided on the nature of the Call focussing on the local development need section, how to apply – with a session from DCLG colleagues focussing on eligibility and compliance.
- 3.3 WYCA as the IB will assess each outline application, after the closing date. WYCA, will, taking account of advice from the Investment Committee, be asked to:
- undertake an assessment of the project under the selection criteria delegated to it - and will decide which to approve in relation to the relevant Project Selection

Criteria.

- provide the MA with advice on value for money and deliverability under the core selection criteria for which it has an advisory role.
- in providing this advice WYCA will consult with the Investment Committee – supported by officers from the Research and Intelligence Unit who will present their initial findings.
- take account of the IC's view before finalising its advice to the MA
- summarise its assessment and advice using a standard template

3.4 DCLG, as MA, have now issued formal guidance for the IB to adhere to with regard to the business process and the assessment of applications. Further information will be provided on the selection criteria, set out by the MA, at the next meeting.

4. Risks

4.1 The risks of non-compliance with regard to the delegated function of WYCA as an Intermediate Body were previously outlined at the meeting in March 2017.

4.2 At this stage the main risk still remains to whether there is sufficient interest from stakeholders/bidders to apply for the funds in response to the published Call, If not the funding would remain unspent and potentially could be lost to the City Region.

5. Benefits

5.1 SUD will provide project grant funding of €19.5m (£15.5 - £17m dependant on exchange rate). This funding will be available for partners including WYCA to bid for to support key projects to support the delivery of the ESIF Strategy and the Strategic Economic Plan.

6. Financial Implications

6.1 DCLG, as MA for the funds, are responsible for the issuing of Funding Agreements, paying projects and general contract management. The funding within the Strategy (€19.95m) is a notional budget and is part of the ESIF ERDF programme. All finances go directly through DCLGs accounts not WYCA's.

6.2 If WYCA chooses to bid themselves for the funds there will be implications for WYCA in respect of providing match to the value of 50% of any project costs, itself or in partnership with others.

7. Legal Implications

7.1 None – for information only.

8. Staffing Implications

- 8.1 Staffing is already in place to undertake the work required under SUD as part of the development and implementation of the wider ESIF Programme. Should WYCA choose to bid for the funds itself staff resources may be required in order to complete the application(s).

9. Recommendations

- 9.1 That the Committee note the progress made in the publication of the Call and note next steps.

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