

Report to: West Yorkshire Combined Authority

Date: 4 September 2020

Subject: **Getting Building Fund**

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

1 Purpose of this report

- 1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, that have been approved by Government for funding through the Getting Building Fund.
- 1.2 The projects being considered today are to be considered by the West Yorkshire and York Investment Committee (the Investment Committee) on 1 September and a verbal update of their recommendations will be brought to the meeting.

2 Information

Background

- 2.1 On 10 June 2020 a letter was received from the Secretary of State for Housing, Communities and Local Government seeking ideas for accelerating existing Government funded capital projects and exceptional, additional shovel-ready capital projects to generate new activity within 18 months. The purpose of this was to help create jobs and raise overall demand in the economy. The LEP and the Combined Authority submitted 90 projects with a

total grant requirement of £412 million. Projects were prioritised as Core (highest priority), Core+ and Core++.

- 2.2 Confirmation was received on 1 July 2020 of an award of £52.6 million for West Yorkshire. The Leeds City Region Enterprise Partnership and Combined Authority with partner councils were asked to submit a finalised list of projects for this funding. On 17 July 2020, a package of fifteen projects was submitted that will support our economic recovery plan. The package includes: town and city centre regeneration focussed on improvement of public realm and green spaces and refining retail facilities: opening up new commercial and residential areas; support for business investment through grants: support for vulnerable residents through housing retrofit, access to jobs, community facilities; and new cycling and walking routes to encourage safe and active travel.
- 2.3 The fifteen projects that were submitted as part of this proposal were each assessed by Government based on strategic fit and deliverability. The formal announcement was then made on 4 August 2020 confirming that all the submitted projects were successful.
- 2.4 Whilst formal confirmation is awaited setting out any detailed conditions of the funding programme the following are key requirements that were outlined at the bidding stage:
 - (i) All GBF grant must be spent in full against their funding profile and projects should be substantially complete by 31 March 2022;
 - (ii) Project outputs should be achieved by December 2024.
 - (iii) New projects cannot be introduced to the Programme at a later stage and/or named projects cannot be changed or substituted for other schemes. Any change, or underspend on projects, is likely to result in returning of funds back to Government.
 - (iv) All projects are subject to appraisal through the Leeds City Region Assurance Framework.
- 2.5 Partners have given assurance that the projects can be delivered within the above requirements and on that basis, the Combined Authority's S73 Officer has affirmed the deliverability of the Getting Building Fund project spend in 2020/21 and 2020/22.

Getting Building Fund Projects

- 2.6 The fifteen projects are:

Project Name	Spend (20-21)	Spend (21-22)	Total
Business Growth Programme	£ -	£ 7,000,000	£ 7,000,000
Enterprise Zones Bradford Parry Lane and Wakefield Langthwaite	£ -	£ 9,070,000	£ 9,070,000
Bradford One City Park	£ 1,800,000	£ 5,700,000	£ 7,500,000
Bradford 'City Village' Phase 1	£ 3,000,000	£ -	£ 3,000,000
Leeds Liverpool Canal	£ 250,000	£ 250,000	£ 500,000
Brighouse A6025 Reconstruction	£ 600,000	£ 1,200,000	£ 1,800,000
Beech Hill Phase 2 Group Repair & Regeneration Scheme	£ 300,000	£ 900,000	£ 1,200,000
Huddersfield George Hotel acquisition and remedial works	£ 400,000	£ 965,000	£ 1,365,000
Dewsbury Arcade	£ 175,000	£ 425,000	£ 600,000
Leeds City Centre 'Grey to Green'	£ 3,700,000	£ 4,900,000	£ 8,600,000
Holbeck Phase 2 Victorian Terrace Retrofit	£ 651,000	£ 1,953,000	£ 2,604,000
Temple Green Park and Ride Expansion	£ 2,000,000	£ 5,400,000	£ 7,400,000
Wakefield Warm Homes Fund	£ 274,000	£ 387,000	£ 661,000
Business Gigabit Voucher Scheme	£ 300,000	£ -	£ 300,000
Knottingley Skills, Business and Services Hub	£ 100,000	£ 900,000	£ 1,000,000
TOTAL	£ 13,550,000	£ 39,050,000	£ 52,600,000

2.7 These projects aim to achieve the following outputs:

Output	Amount
Direct Jobs Created	1,850
Construction Jobs Created	440
Jobs Safeguarded	500
Houses Unlocked	1,800
Commercial Space Unlocked (sqm)	14,500
New Learning Space Unlocked (sqm)	142
New Learners Assisted	200
Businesses Assisted	270
Roads/Cycle Lanes/Walkways Unlocked (km)	4.83
Public Realm/ Green Space Created (sqm)	6,800
New superfast broadband connections	145
CO2 emissions saved (kg)	79,000

2.8 For further detail please refer to Appendix 1 - Summary of Projects.

2.9 The Getting Building Fund programme does not include Programme Management and assurance costs. The Combined Authority is therefore requested to approve over-programming of up to £1 million (2%) to cover these costs. The expectation is that the programme will be delivered within the funding awarded, but acknowledgement of these costs is required so that the programme can be effectively managed.

- 2.10 To ensure there is no delay to the implementation of project delivery, each of the projects require development costs so that they can develop their final business cases and final business cases with finalised costs or where relevant a change request where the project is an extension to an existing Combined Authority project / programme. The Combined Authority is therefore requested to approve development costs of £2.63 million (5%) and that the allocation of these funds to the individual projects is delegated to the Combined Authority's Director of Delivery.
- 2.11 Partners have given assurance that the projects can be substantially delivered and the GBF fully spent before 31 March 2022, that project outputs can be achieved by December 2024 and that the projects can be delivered within the funding allocated to their projects.

Assurance Framework

- 2.12 As outlined in para 2.4 Government has confirmed that the projects agreed are subject to the Leeds City Region Assurance Framework.
- 2.13 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:
- The progression of a scheme through a decision point to the next activity.
 - Indicative or full approval to the total value of the scheme funding requested.
 - The Combined Authority's entry into a funding agreement with the scheme's promoter.
 - The assurance pathway and approval route for future decision points.
 - The scheme's approval tolerances.

This report provides information required to enable the Combined Authority to approve each of the above elements.

- 2.14 The timescales for the delivery of the Getting Building fund are very tight. Government have assessed and approved the schemes at a high level and partners have stated that the projects are shovel ready. In order to ensure there is no delay to the implementation of project delivery the Combined Authority is requested to approve the following:
- The Getting Building Fund programme proceeds through decision point 2 (strategic business case).
 - Each project commences work on activity 4 (full business case) or where relevant a change request is brought forward where the project already forms part of an existing programme and has a Combined Authority approval in place.
 - An indicative approval to the Combined Authority's contribution of up to £52.60 million to be funded through the Getting Building Fund is given, with full approval to spend being granted once each of the projects has

progressed through the assurance process to decision point 5 (full business case with finalised costs).

- Programme development costs of up to £1 million (2%) and project development costs of £2.63 million (5%) are approved in order to progress the projects to decision point 4 (full business case) and allocation of these development costs to the individual projects is delegated to the Combined Authority's Director of Delivery.
- The Combined Authority enter into funding agreements with Bradford Council, Calderdale Council, Kirklees Council, Leeds Council and Wakefield Council and other partners, including Canal and River Trust, as necessary for expenditure of up to £2.63 million collectively from the Getting Building Fund (the allocation per project / partner council to be delegated to the Combined Authority's Director of Delivery).
- The assurance tolerances:
 - Any programme cost increase remains within 2% as set out in this report and reallocation of funding between the projects is delegated to the Combined Authority's Managing Director.
 - Delivery timescales remain within those set out in this report.
- Future approvals are made by the Investment Committee at decision point 4 and through a delegation to the Combined Authority's Managing Director at decision point 5 following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

3 Clean Growth Implications

- 3.1 The clean growth implications of each of the projects will be set out in their individual final business cases.
- 3.2 However, the Getting Building Fund aims to save 79,000kg of CO2 emissions and create 8,200sqm of public realm / green space.

4 Inclusive Growth Implications

- 4.1 The inclusive growth implications of each of the projects will be set out in their individual final business cases.
- 4.2 However, the Getting Building Fund aims deliver the outputs set out in the table above, which have inclusive growth implications.

5 Financial implications

- 5.1 The report seeks endorsement to expenditure from the available Combined Authority funding as set out in this report.

6 Legal implications

- 6.1 The payment of funding to any recipient will be subject to a funding agreement being in place between the Combined Authority and the organisation in question.

7 Staffing implications

- 7.1 A combination of Combined Authority and local Partner Council project, programme and portfolio management resources are or are in the process of being identified and costed for within the schemes in this report.

8 External consultees

- 8.1 Where applicable scheme promoters have been consulted on the content of this report.

9 Recommendations

- 9.1 That the Combined Authority approves:
- (i) The Getting Building Fund programme proceeds through decision point 2 (strategic business case).
 - (ii) Each project commences work on activity 4 (full business case) or where relevant a change request is brought forward where the project is an extension to an existing Combined Authority project / programme.
 - (iii) An indicative approval to the Combined Authority's contribution of up to £52.60 million to be funded through the Getting Building Fund is given, with full approval to spend being granted once each of the projects has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iv) Programme development costs of up to £1 million (2%) and project development costs of £2.63 million (5%) are approved in order to progress the projects to decision point 4 (full business case) and allocation of these development costs to the individual projects is delegated to the Director of Delivery.
 - (v) The Combined Authority enter into funding agreements with Bradford Council, Calderdale Council, Kirklees Council, Leeds Council and Wakefield Council and other partners, including Canal and River Trust, as necessary for expenditure of up to £2.63 million collectively from the Getting Building Fund (the allocation per project / partner council to be delegated to the Director of Delivery).
 - (vi) The assurance tolerances:
 - Any programme cost increase remains within 2% as set out in this report and re allocation of funding between the projects is delegated to the Combined Authority's Managing Director.

- Delivery timescales remain within those set out in this report.
- (vii) Future approvals are made by the Investment Committee at decision point 4 and through a delegation to the Combined Authority's Managing Director at decision point 5 following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

10 Background Documents

10.1 There are no background documents referenced in this report.

11 Appendices

11.1 Appendix 1 - Summary of Projects.