



**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON THURSDAY, 5 OCTOBER 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Tim Swift (Deputy Chair)	Calderdale Council
Councillor Judith Blake CBE	Leeds City Council
Councillor Peter Box CBE	Wakefield Council
Councillor Andrew Carter CBE	Leeds City Council
Councillor Simon Cooke	Bradford Council
Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor David Sheard	Kirklees Council
Councillor Nicola Turner	Kirklees Council

In attendance:

Councillor Keith Wakefield OBE	Chair, WYCA Transport Committee
Councillor Robert Light	Chair, WYCA Overview & Scrutiny Committee
Councillor Andrew Waller	City of York Council
Ben Still	WYCA
Angela Taylor	WYCA (minute 53 only)
Caroline Allen	WYCA
Ruth Chaplin	WYCA

42. Chair's Comments

The Chair advised that Councillor Andrew Waller will be replacing Councillor Keith Aspden as York's representative on the Authority with effect from 9 October 2017.

43. Apologies for Absence

Apologies for absence were received from Councillor Keith Aspden.

44. Declarations of Disclosable Pecuniary Interests

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

45. Exclusion of the Press and Public

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

46. Minutes of the Meeting held on 3 August 2017

Resolved: That the minutes of the meeting held on 3 August 2017 be approved and signed by the Chair.

47. Capital Spending & Project Approvals

The Authority considered a report of the Director of Delivery on the progression and funding for the following schemes through WYCA's Assurance Process in line with WYCA's Assurance Framework:

- A629 Phase 4 Halifax to Huddersfield Corridor Improvements
- Access Innovation Programme
- Strategic Business Growth Programme
- Beech Hill, Halifax
- Castleford Rail Station Gateway
- Energy Accelerator Programme
- Leeds District Heat Network
- Portfolio Information Management System

Details of the schemes were outlined in the submitted report. It was noted that the Portfolio Information Management System (PIMs) project had proceeded directly to WYCA due to the nature of the funding stream.

The Authority also considered the following two schemes which had exceptions reports assessed in line with WYCA's Assurance Framework:

- Leeds New Station Street
- Wakefield Eastern Relief Road

Members were advised that the Investment Committee had discussed the need to monitor the progress and development of projects and programmes and interim reports would be prepared for future meetings of the Committee.

Resolved:

- (i) In respect of the **A629 Phase 4 Halifax to Huddersfield Corridor Improvements –**

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the A629 phase 4 project proceeds through Decision Point 2 and

work commences on Activity 3 (Outline Business Case).

- (b) That 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).
- (c) That 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.
- (d) That WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £0.570m from the West Yorkshire plus Transport Fund.
- (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 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 the submitted report.

(ii) In respect of the **Access Innovation Programme** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the Access Innovation Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That an indicative approval to WYCA's contribution of £4.750m (which will be funded through £0.485m from the Local Growth Fund (LGF) Access to Capital Grants programme fund and £4.265m from the European Regional Development Fund ERDF)) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted 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 the submitted report.

(iii) In respect of the **Strategic Business Growth Programme –**

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the Strategic Business Growth Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That 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 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted 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 the submitted report.

(iv) In respect of **Beech Hill, Halifax –**

That following a recommendation from Investment Committee, WYCA approves:

- (a) That the Beech Hill project proceeds through Decision Point 2 and work commences on Activity 4 (Full Business Case).
- (b) That 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 (Full Business Case with Finalised Costs).
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 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 the submitted report.

(v) In respect of **Castleford Rail Station Gateway –**

That following a recommendation from Investment Committee, WYCA approves:

- (a) That the Castleford Rail Station Gateway project proceeds through Decision Point 3 and work commences on Activity 4 (Full Business Case).
 - (b) That 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 (Full Business Case with Finalised Costs).
 - (c) That development costs of £0.317m are approved in order to progress the scheme to Decision Point 5 (Full Business Case with Finalised Costs), taking the total project approval to £0.338m.
 - (d) That 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.
 - (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 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 the submitted report.
- (vi) In respect of the **Energy Accelerator Programme** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the Energy Accelerator Programme proceeds through Decision Point 4 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- (b) That approval to spend the £0.640m Local Growth Fund (LGF) allocation as match to support the development of the Accelerator be confirmed.
- (c) That an indicative approval to the to the £2.997m European Local Energy Assistance (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 (Full Business Case with Finalised Costs). This will bring the total project value to approximately £3.817m (£0.820m LGF, £2.997m ELENA).
- (d) That 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 (Full Business Case with Finalised Costs) from the Local Growth Fund, taking the total project approval to £0.820m).

- (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted 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 the submitted report.
- (f) 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.

(vii) In respect of **Leeds District Heat Network** –

That following a recommendation from the Investment Committee, WYCA conditionally approves 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:

- (a) That the Leeds District Heat Network project proceeds through Decision Point 5 and work commences on Activity 6 (Delivery).
- (b) That approval to WYCA's contribution of £4.000m (which will be funded from the Local Growth Fund) is given.
- (c) That WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £4.000m from the Local Growth Fund.
- (d) That the Funding Agreement makes provision for up to £4.000m to be clawed back if the Leeds District Heat Network makes an operating profit over the 25 year asset lifetime.
- (e) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted 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 the submitted report.

(viii) In respect of **Leeds New Station Street** –

That following a recommendation from the Investment Committee, WYCA approves:

- (a) That the exception to extend the Leeds New Station Street project

timescale to completion on site by December 2018 is approved.

- (b) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted 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 the submitted report.

(ix) In respect of **Wakefield Eastern Relief Road –**

That following a recommendation from the Investment Committee, WYCA:

- (a) Conditionally approves the up to a £5.574m increase to the estimated final project cost of Wakefield Eastern Relief Road, and the increased total project up to a maximum of £37.593m.
- (b) Delegates the final approval of the exception and the signing of the addendum of the Funding Agreement to WYCA's Managing Director subject to settlement of the final account by Wakefield Council following endeavours to resolve outstanding contractor issues and seeking to reduce the cost figure payable to Network Rail.

(x) In respect of the **Portfolio Information Management System (PIMs)** WYCA approves:

- (a) That the Portfolio Information Management System (PIMs) project proceeds through Decision Point 5 (Full Business Case with Finalised Costs) and work commences on Activity 6 (Delivery).
- (b) That approval be given to the total project value of £0.240m for the development of the system and £0.050m per annum on-going licence fees (the on-going licence fee will be required from 2018/19 onwards) and is funded as an overhead cost from the overall Portfolio Management Office costs.
- (c) That future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

48. HS2 and the HS2 Growth Strategy

The Authority considered a report of the Director of Policy, Strategy and Communications which:

- Provided an update on the development of HS2.

- Sought endorsement for the principles of the Leeds City Region HS2 Growth Strategy and approve submission to Government.
- Sought endorsement for the principles of the joint WYCA and Leeds City Council response to the High Speed 2 rolling stock depot consultation.

Councillor Waller attended the meeting as an observer and the Chair invited him to speak on behalf of City of York Council. In welcoming the report, Councillor Waller reinforced the scale of potential for York Central and for HS2 links to Scotland to be via York and asked that future reports reflect this. The importance of the East Coast Main Line and York as a key hub in the development of HS2 was recognised and it was noted that WYCA was represented at meetings of the East Coast Main Line Authorities consortium by Councillor Eric Firth, Deputy Chair of the Transport Committee.

Members also discussed the employment and skills opportunities that would be created across the City Region and a report would be prepared for the next meeting.

Resolved:

- (i) That the principles of the Leeds City Region HS2 Growth Strategy be endorsed and the final drafting of the submission be delegated to WYCA's Managing Director in consultation with the WYCA Chair.
- (ii) That the principles of the response to the HS2 rolling stock depot location consultation be endorsed and the final drafting of the submission be delegated to WYCA's Managing Director in consultation with the LEP Chair and WYCA Chair.

49. Vision for Northern Powerhouse Rail

The Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on the progress being made in Transport for the North's Northern Powerhouse Rail (NPR) development programme, including on Leeds City Region's established position.

Members welcomed the positive progress being made by Transport for the North (TfN) and its partners in the development of Northern Powerhouse Rail. It was reported that a significant amount of discussion and lobbying had taken place and the decisions being made by TfN including the NPR/HS2 touchpoints, the emerging preferred NPR network and the opportunities for the City Region in respect of economic growth and transport links to employment and skills were noted.

Resolved: That the positive progress being made through Transport for the North's Northern Powerhouse Rail programme, including in delivering the Leeds City Region ambition for Northern Powerhouse Rail be noted.

50. Consent to Regulations Establishing Transport for the North

The Authority considered a report of the Director of Policy, Strategy and Communications which sought confirmation of the consent previously given in principle to regulations establishing Transport for the North (TfN) as a statutory body and granting TfN the concurrent exercise of specified WYCA functions.

It was noted that following the last meeting the regulations now provided for TfN to exercise specified highways and footpath functions, concurrently with West Yorkshire district authorities. The West Yorkshire districts will be asked to consent in their own right to the regulations.

Resolved:

- (i) That it be noted that Transport for the North are now liaising directly with each West Yorkshire district council to seek the consent of each individual district to the regulations, in so far as they provide for Transport for the North to exercise concurrent highways functions with those districts, once it is established as a Sub-National Transport Body.
- (ii) That WYCA confirm the consent previously given in principle to the making of regulations, attached at Appendix 1 of the submitted report, by the Secretary of State for Transport to establish Transport for the North as a Sub-National Transport Body under section 102E of the Local Transport Act 2008, and which provide for Transport for the North to exercise concurrent functions with its constituent authorities, including WYCA.

51. Business Planning & Budget 2018/19

The Authority considered a report of the Director of Resources on the work being undertaken to progress business and budget planning for 2018/19 and sought approval to establish a Member Working Group on budgets.

The report set out the business planning and budget process for 2018/19 and the budget challenges. The current forecasts for 2018/19 show a £4m funding gap and work was being undertaken to understand the options available to close the gap. It was proposed that a member Working Group be established to undertake scrutiny of the options and the draft budget as it is developed. Approval of the budget would be sought at the WYCA meeting scheduled for 1 February 2018.

The Corporate Plan update on progress to date against Key Performance Indicators was attached to the submitted report and further information in respect of WYCA's apprenticeships would be circulated. It was noted that the Overview & Scrutiny Committee were providing scrutiny and challenge to the key performance indicators and any recommendations would be brought to a future meeting.

Resolved: That a member Working Group be formed to progress detailed budget scrutiny and inform reports back to meetings of WYCA.

52. Industrial Strategy & Autumn Budget Submission

The Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on:

- Progress in setting a more comprehensive approach to economic and social policy, tailored to the lives, challenges and opportunities of City Region residents.
- The City Region submission to Government ahead of the Budget on 22 November 2017.
- The next steps in bringing about an inclusive industrial strategy.

Members welcomed the report which provided an update in respect of the ongoing work on inclusive growth and the short and longer term ambitions. A copy of the City Region's Autumn Budget submission was attached to the submitted report and members discussed key challenges for the City Region including the productivity gap, skills investment and how to encourage businesses to introduce R&D (research and development).

Resolved:

- (i) That the City Region's submission to the Autumn Budget be noted and endorsed.
- (ii) That the people-focused approach to an inclusive industrial strategy, based on bold local decision-making, backed up by new powers and resources be noted and endorsed.
- (iii) That existing projects and programmes be refocused more clearly on inclusive growth outcomes.

53. Proposed Pension Transfer

The Authority considered a report of the Director of Resources which provided further information on the preferred way of meeting WYCA's element of pension obligations towards First Group, in response to a Direction issued by the Secretary of State on this matter.

It was noted that the Direction set a transfer date of 1 November 2017 and members asked whether there was any flexibility in extending this as it was possible that a revised decision on a preferred option may be required from the Authority before the next meeting in December 2017. It was agreed that should such a decision need to be taken before the next meeting that this be delegated to WYCA's Managing Director in consultation with the Chair and as many members as possible and that such a decision would have regard to the position of the West Yorkshire Pension Fund.

Resolved:

- (i) That a further decision regarding the method by which WYCA meets its obligations under the Direction with regard to First Group be delegated to WYCA's Managing Director in consultation with the Chair.
- (ii) That the Budget Working Group inputs to this further decision.

54. ESIF SUD Update

The Authority considered a report which provided an update on the European Structural Investment Fund (ESIF) Sustainable Urban Development.

Resolved: That the report be noted.

55. Minutes of the Meeting of the Transport Committee held on 7 July 2017

Resolved: That the minutes of the meeting of the Transport Committee held on 7 July 2017 be noted.

56. Draft Minutes of the Governance & Audit Committee held on 3 August 2017

Resolved: That the draft minutes of the Governance & Audit Committee held on 3 August 2017 be noted.

57. Draft Minutes of the West Yorkshire & York Investment Committee held on 6 September 2017

Resolved: That the draft minutes of the West Yorkshire & York Investment Committee held on 6 September 2017 be noted.

58. Draft Minutes of the Business Innovation & Growth Panel held on 7 September 2017

Resolved: That the Draft minutes of the Business Innovation & Growth Panel held on 7 September 2017 be noted.