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Report to: West Yorkshire Combined Authority

Date: 14 December 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 WYCA at Stages 1, 2 and 3 of WYCA's Assurance process.
- 1.2 This report presents proposals for the progression of five schemes through WYCA's Assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £37.466m when fully approved, of this amount £36.176m will be funded by WYCA. A total expenditure recommendation to the value of £14.558m is sought as part of this report for the development and delivery of these schemes. Further detail on the schemes summarised below can be found as part of this report.

Leeds City Region Enterprise Zones Programme <i>Leeds City Region-wide Scheme.</i>	Decision Point 2 (Case Paper) Total Value - £20.000m Total Value of WYCA Funding - £20.000m Funding Recommendation sought – £0.302m	A programme to develop the two Leeds City Region Enterprise Zones (Leeds and a multi-site EZ across sites in Bradford, Calderdale, Kirklees and Wakefield.) The EZ's have the potential to deliver approximately 230 hectares of employment land, over 15,000 jobs and approaching £5bn of GVA by 2025.
Steeton and Silsden A629 Foot/Cycle Crossing <i>Bradford Scheme</i>	Decision Point 2 (Case Paper) Total Value - £0.210m Total Value of WYCA Funding - £0.210m Funding Recommendation sought – £0.210m	Scheme utilising specified Department for Transport grant funding of up to £0.700m for development of an Outline Business Case (OBC) to improve cycling and walking links in the Bradford District.
East Leeds Outer Ring Road Junctions <i>Leeds Scheme</i>	Decision Point 5 (Full Business Case with Finalised Costs) Total Value - £14.046m Total Value of WYCA Funding - £14.046m Funding Recommendation sought – £14.046m	Part of the East Leeds Orbital Road Package, this scheme is an advance package of junction works on the Leeds Outer Ring Road in the North East of the city.

Warm Homes Programme <i>Leeds City Region Wide Scheme</i>	Decision Point 2 (Case Paper) Total Value - £2.910m Total Value of WYCA Funding - £1.620m Funding Recommendation sought – £0m	A grant programme to deliver central heating systems and gas connections to fuel poor household in Leeds City Region.
WYCA Website	Decision Point 2 (Case Paper) Total Value - £0.300m Total Value of WYCA Funding - £0.300m Funding Recommendation sought – £0m	A scheme to consolidate all of WYCA's existing websites through the design, development and launch new digital infrastructure enabling far greater engagement.

- 1.3 This report also presents recommendations for the following schemes that have had exception reports assessed in line with WYCA's Assurance Process. These schemes have a total combined funding value of £13.180m when fully approved, all of which will be funded by WYCA. A total expenditure recommendation to the value of £0.630m is sought as part of this report for the development and delivery of these schemes. Further detail on the schemes summarised below can be found as part of this report.

A641 - Bradford to Huddersfield Corridor <i>Calderdale led scheme that also interfaces with Bradford and Kirklees</i>	Activity 1 (Expression of Interest) Exception Total Value - £0.730m Total Value of WYCA Funding - £0.730m Funding Recommendation sought – £0.630m	Funding for further strategic development of this multi-modal corridor scheme which links Bradford, Brighouse and Huddersfield.
Strategic Inward Investment Fund <i>Leeds City Region-wide Scheme.</i>	Activity 6 (Delivery) Exception Total Value - £12.450m Total Value of WYCA Funding - £12.450m Funding Recommendation sought – £0m	Exception to this dedicated inward investment grant scheme, which is operated specifically to secure investment to deliver significant benefits in terms of job creation and leveraging private sector investment.

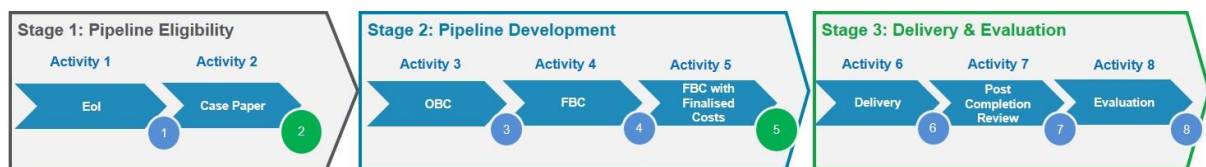
- 1.4 WYCA's Assurance Framework requires that formal approval is given to the following elements of a scheme as part of its development:

- 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
- WYCA'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 the information required to enable WYCA to approve each of the above elements.

2 Information

- 2.1 This report puts forward proposals for the progression of, and funding for, a number of schemes for approval by WYCA, following consideration by the Investment Committee. WYCA will recall that a three stage approach has been introduced as part of an enhancement to current project management arrangements, with the requirement that all projects subject to minor exceptions as detailed in the Assurance Framework, will as a minimum, need to formally pass Decision Points 2 (case paper approval) and 5 (final cost approval), highlighted in green below, 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 consists of an independent panel of officers representing policy, legal, financial, assurance and delivery supplemented with external experts. The scheme promoters from the District Councils or Partner Delivery organisations attend the meeting to introduce the scheme and answer questions from the panel. The Terms of Reference for the PAT are contained within the Leeds City Region Assurance Framework.
- 2.3 Five schemes that are set out in the following report have been considered by West Yorkshire and York's Investment Committee and have been recommended for approval. These are summarised as:

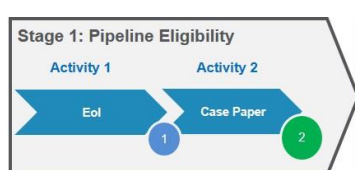
Leeds City Region Enterprise Zones Programme	Decision Point 2 (Case Paper)
Steeton and Silsden A629 Foot/Cycle Crossing	Decision Point 2 (Case Paper)
East Leeds Outer Ring Road Junctions	Decision Point 5 (Full Business Case with Finalised Costs)
A641 - Bradford to Huddersfield Corridor	Activity 1 (Expression of Interest) Exception
Strategic Inward Investment Fund	Activity 6 (Delivery) Exception

- 2.4 The following two schemes have progressed directly to WYCA, because of either timescales relating to their delivery or governance requirements of the funding stream.

Warm Homes Grant Fund	Decision Point 2 (Case Paper)
WYCA Website	Decision Point 2 (Case Paper)

Programmes and Projects for Consideration

3 Projects in Stage 1: Pipeline Eligibility



- 3.1 Projects at the eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, with further project definition including costs and detailed timescales to be developed as the project progresses through the pipeline. At this stage funding may be sought to enable this work to progress.

3.2 Leeds City Region Enterprise Zones Programme (Decision Point 2 Case Paper)

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

Background

- 3.2.1 Enterprise Zones (EZs) are seen as a key part of the Government's national agenda to devolve responsibility for growth and incentivise additional economic development. The Leeds City Region (LCR) EZ Programme consists of two EZs comprising the Phase 1 Leeds EZ and Phase 2 multi-site EZ across sites in Bradford, Calderdale, Kirklees and Wakefield.
- 3.2.2 The EZ Programme supports the LCR Strategic Economic Plan (SEP) vision and the principle of 'good growth' by supporting delivery of innovation, good jobs/incomes and improving the quality of places. The EZs are also identified as Spatial Priority Areas in the SEP.

- 3.2.3 The City Region's two Enterprise Zones have the potential to offer significant benefits and meet a range of city region and national objectives. This includes delivery of approximately 230 hectares of employment land, over 15,000 jobs and approaching £5bn of GVA by 2025 when all ten EZ sites are developed in full. Currently the Leeds EZ has businesses in place and is well advanced. The infrastructure requirements for Lindley Moor West EZ site have been addressed with occupation of units from April 2017.
- 3.2.4 Based on initial independent feasibility and market advice, the current anticipated level of public sector support required to unlock all EZ sites is estimated to be £45.541m or up to £52.866m if support is required to underwrite speculative economic development by the private sector.
- 3.2.5 An initial £20m was secured through Growth Deal 3 (GD3) to support the LCR EZ programme. This stage of the programme focuses on delivery of this initial £20m Growth Deal 3 funding plus potential further match funding and/or external funding opportunities.
- 3.2.6 WYCA/LEP are committed to delivering the EZ programme. However, currently the total costs for the EZ Programme are only partially funded (via GD3) in advance of any decision being taken on the availability of other public sector (WYCA/districts) support. A phased EZ programme therefore needs to be progressed as an interim solution.
- 3.2.7 WYCA and EZ districts have been working collaboratively to identify and develop master planning and technical feasibility work for priority sites for investment. This ongoing work has informed the proposed phasing process which is also based on:
- strength of the business case for investment;
 - scale of economic benefits;
 - independent assessment of market demand;
 - availability of technical and site feasibility assessments (where required);
 - landownership considerations/constraints; and
 - ability of developers to commence delivery in the short term.
- 3.2.8 As a result of this collaborative work, it is proposed that the £20m GD3 funding is deployed as follows:

Phase 1 Leeds EZ (Total: £4.400m)

- Leeds EZ power solution (£4.400m)

Phase 2 EZ (Total: £15.100m)

- Clifton Business Park, Calderdale (sub-phase A1): An initial phase of site clearance and associated site levelling (£5.900m). National Productivity Investment Fund (NPIF) grant funding (£4.49m) will be used to provide site access and walking/cycling access across the business park.
- Parry Lane, Bradford (sub-phase A2): Site remediation including: site levelling; access/junction improvements; removal of foundations; utilities (£1.200m)
- Gain Lane, Bradford (sub-phase A2): An initial phase of site remediation and access improvements including: site levelling; retaining structures; spine roads; utilities and drainage works (£2.900m)
- South Kirkby Business Park, Wakefield (sub-phase A2): Site remediation including: site levelling; sub-station; sewer/drainage works; utilities (£5.100m)

The remaining £0.500m will fund EZ programme management costs.

- 3.2.9 Clifton Business Park is identified in sub-phase A1 based on the site's strategic role as the largest employment allocation in Calderdale and the largest/most complex Phase 2 EZ site. Clifton also has potential to accommodate the re-location and growth of flood affected businesses in the Calderdale area following the 2015 Boxing Day floods. The initial feasibility and master planning findings also confirmed the site's economic impact and complexity of infrastructure requirements.
- 3.2.10 The three locations included at Phase A21 are currently all seeking investment now/or are likely to do so prior to April 2018. These allocations also have strong market demand, a willing/able developer or landowner in place and technical information in place or underway.
- 3.2.11 Sites identified within Phase A3 and A42 are placed on hold in terms of funding for capital works until a decision is made regarding the EZ Programme 'Open Call for Projects' submission later in the year. The submission seeks additional Growth Deal funding for the remaining unfunded elements of the programme. The programme has also secured £4.49m of National Productivity Investment Fund (NPIF) grant funding for highway access at Clifton Business Park. Other potential funds currently identified for potential match contributions include ESIF, WY TF, Environment capital budgets and Local Authorities. In the interim period pre-feasibility/master planning work will continue at Staithgate Lane (Bradford), Lindley Moor East (Kirklees) and Langthwaite Business Park (Wakefield).
- 3.2.12 Following Decision Point 2 approval of the Enterprise Zones Programme, work will commence on Activity 3 (Outline Business Case) for the Phase 2 sites in sub-phases A1 and A2 and Activity 4 (Full Business Case) for the Phase 1 Leeds EZ site. Each EZ

¹ Parry Lane (Bradford); Gain Lane (Bradford) and South Kirkby Business Park (Wakefield)

² Staithgate Lane (Bradford); Lindley Moor East (Kirklees); Moor Park (Kirklees) and Langthwaite Business Park (Wakefield)

site will seek a recommendation from Investment Committee before seeking WYCA approval at the next Decision Point in its development.

Costs

- 3.2.13 The programme currently has a budget allocation through Growth Deal 3 of £20m. This funding will support delivery of a power solution for the Leeds (Phase 1) EZ at £4.4m and support the Phase 2 EZ sites (A1 and A2 sites).
- 3.2.14 The programme costs at this stage assume a circa £4.4m requirement for the Leeds EZ power solution which is consistent with emerging work and will be subject to approval through the WYCA Assurance Process. This is a reduction from the provisional £10m allocation presented to Investment Committee in 2016 following further technical work by Leeds City Council. It is anticipated that the final costs will be presented to Investment Committee for consideration in early 2018.
- 3.2.15 Opportunities for funding of further phases are currently being explored. The total LCR EZs Programme cost could increase to £52.866m.
- 3.2.16 Development costs of up to £0.302m to be funded from the Local Growth Fund are also requested as part of this report, in order to progress Phase 2 sites to Decision Point 5 (Full Business Case with Finalised Costs). The project development funding will be used to progress further site feasibility, master planning and detailed design work for EZ sites in sub-phases A1 and A2. The funding will also provide a resource for legal support and due diligence.

Timescales

- 3.2.17 To be aligned with Growth Deal 3 timeframe which requires delivery by March 2021 and the outputs outlined within the Case Paper are anticipated by 2024.

Tolerances

- 3.2.18 In order for the 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:

- Costs will remain within the budget allocation of £20.000m

- 3.2.19 Tolerances for each of the projects within the programme will be set when the projects come through the Assurance Framework at Decision Point 3.

3.2.20 Project Responsibilities

Senior Responsible Officer: David Walmsley, Head of Economic Policy, WYCA
Project Manager: Justin Wilson, Head of Strategic Networks, WYCA

WYCA Case Officer: Elizabeth Courtney, Economic Regeneration Lead

Recommendations

3.2.21 That WYCA approves that:

- The Leeds City Region Enterprise Zones Programme proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case) for the Phase 2 sites outlined in this report and Activity 4 (Full Business Case) for Phase 1 Leeds EZ.
- An indicative Approval to the £20.000m programme cost is given from the Local Growth Fund with Full Approval to spend being granted to individual sites once they have progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Development costs of up to £0.302m from the Local Growth Fund are approved in order to progress Phase 2 sites to Decision Point 3 (Outline Business Case).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.3 Steeton and Silsden A629 Foot/Cycle Crossing (Decision Point 2 Case Paper)

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

Background

- 3.3.1 The Department for Transport has provided a grant fund of up to £0.700m for development of an Outline Business Case (OBC) to improve cycling and walking links in the Bradford District.
- 3.3.2 The OBC will develop a preferred solution to facilitate pedestrian and cycling crossing at the junction of the A629 dual carriageway and the A6034 (Keighley Road / Station Road) to link Silsden village with the Steeton and Silsden rail station.
- 3.3.3 A preferred design will seek to reduce the severance affect that the A629 has for Silsden residents on local walking and cycling journeys, particularly for accessing the rail station. The scheme supports aspirations for increased improved connectivity, increased physical activity, road safety and low carbon 'good growth'.
- 3.3.4 Funding for scheme delivery is yet to be identified and options for this will form part of the Outline Business Case.

Costs

- 3.3.5 The Department for Transport has provided grant funding of up to £0.700m through City Cycle Ambition Grant (CCAG) payments. Costs of £0.210m have been allocated for OBC development works.

Timescales

- 3.3.6 The Outline Business Case delivery is to be completed by May 2018.

Tolerances

- 3.3.7 In order for the scheme to follow the Assurance Pathway and Approval Route that is 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:

- Costs remain within 10%. Cost increases over 10% will require further approvals from WYCA.
- If the programme is forecast to slip by more than 3 months then this will require further approvals by WYCA.

3.3.8 Project Responsibilities

Senior Responsible Officer: Richard Gelder, Highways Services Manager, Bradford Council

Project Manager: Tom Jones, Highways Services, Bradford Council

WYCA Case Officer: Alistair Ryder, Transport Policy

Recommendations

- 3.3.9 That WYCA approves that:

- The Steeton and Silsden A629 Foot/Cycle Crossing proceeds through Decision Point 2 (Case Paper) and work commences on Activity 3(Outline Business Case).
- Approval to the total project value of £0.210m is given from the CCAG Fund (which incorporates the DfT Grant) for Activity 3 (OBC) only.
- WYCA enter into a Funding Agreement with City of Bradford Metropolitan District Council for expenditure of up to £0.210m from the CCAG Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including that Decision Point 3 approval will be delegated to WYCA's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.4 A641 - Bradford to Huddersfield Corridor (Activity 1 Expression of Interest Exception)

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

Background

- 3.4.1 The A641 Bradford – Brighouse – Huddersfield corridor, including the A644 between Brighouse and M62 J25, is an important manufacturing corridor that forms part of the West Yorkshire Key Route Network (KRN). It was identified as a multi-modal corridor in the West Yorkshire Plus Transport Fund's initial scheme pipeline, with delivery by 2023. The corridor has issues in all locations, including at key junctions – mostly in Brighouse.
- 3.4.2 Initial pre-feasibility work has established that there is significant complexity to the transport issues in Brighouse, and that opportunity exists to use A641 WY+TF investment to resolve these and enable the realisation of Brighouse's economic growth potential and local plan site development in Bradford, Calderdale and Kirklees. This project is therefore extremely important to each of the districts.

Project Exception

- 3.4.3 There is the potential for significant strategic development of the wider geographical area where this project is located, including far reaching implications of draft Local Plans, and other planned investment. In order to fully understand the scope of the A641 project, Calderdale Council, as project promoter, needs to work closely with neighbouring authorities and other partners to gain further intelligence of dependencies and interdependencies.
- 3.4.4 Undertaking this exercise will enable the promoter to define the scope of the A641 project, and submit an updated EoI to include this refined information.

Costs

- 3.4.5 The project has an existing approval of £0.100m, which has funded the initial pre-feasibility work and staff costs on the project, to establish an indicative scope and phasing. The total WYCA allocation to this project is £52.4m. The Project Promoter now requires an additional £0.630m development funding, to cover the cost of undertaking further feasibility to determine full scope and high level costs of the project and prepare a revised Expression of Interest.

Timescales

- 3.4.6 An Expression of Interest (EoI) is programmed for early in 2018/19, with Decision Point 2 (Case Paper) later that year and an Outline Business Case submission due in 2019.

Tolerances

- 3.4.7 Tolerances for the scheme will be set at Decision Point 2 (Case Paper). At Decision Point 2, the scheme will seek an approval recommendation from Investment Committee before seeking approval from WYCA.

3.4.8 Project Responsibilities

Senior Responsible Officer: Mark Thompson, Calderdale Council

Project Manager: Sarah Callaghan, Calderdale Council

WYCA Case Officer: Rachel Jones

Recommendations

- 3.4.9 That WYCA approves that:

- Further development costs of up to £0.630m are approved from the West Yorkshire plus Transport Fund to enable further Expression of Interest development, in order to progress the scheme to Decision Point 2 (Case Paper), taking the total project approval to £0.730m.
- WYCA enters into an addendum to the existing funding agreement with Calderdale Council for A641 - Bradford to Huddersfield Corridor for additional expenditure of up to £0.630m from the WY+TF.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 2: Pipeline Development



- 3.5 Projects at Pipeline Development Stage should demonstrate 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.

3.6 East Leeds Orbital Road - Outer Ring Road Junctions (Decision Point 5 Full Business Case with Finalised Costs)

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

Background

- 3.6.1 The East Leeds Orbital Road (ELOR) project was identified as a WYCA investment priority and was included in the West Yorkshire plus Transport Fund. It comprises:
- 7km of new dual carriageway around the north east sector of Leeds (between Red Hall and Thorpe Park)
 - Reprioritisation of road space along the existing section of the ring road that would be by passed, including around Cross Gates centre, to improve sustainable local transport connections
 - Capacity and operational improvements at 5 key junctions along or adjacent to the existing ring road to the west of Red Hall to address current congestion issues and ensure they are capable of accommodating future travel demand
 - The Manston Lane Link Road connecting the southern part of the new dual carriageway with the M1 east of Thorpe Park (this section is being fully funded by the private sector)
- 3.6.2 Apart from providing significantly enhanced connectivity, reducing traffic congestion and enhancing environmental and safety conditions, ELOR will also unlock the potential for building of 5500 new homes in what is known as the East Leeds Extension.
- 3.6.3 An outline business case for the whole project was approved by WYCA in 2015 and funding was allocated to undertake development work covering design, economic modelling and developing a procurement strategy. It was agreed that an advance package of junctions' works would be progressed and specifically detailed design work has taken place for 3 of the 5 junctions along the existing ring road corridor to the west of Red Hall:
- A6120/Roundhay Park Lane
 - A6120/A61 Harrogate Road
 - A61/Harrogate Road/Scott Hall Road
- 3.6.4 The above junctions' designs will incorporate the latest green streets design principles and provide enhanced provision for cyclists and pedestrians.
- 3.6.5 A full business case has been submitted covering the delivery of these three specific junctions in advance of the main new dual carriageway. The full business case includes tendered prices and an estimate of quantified risk.

3.6.6 The prices for the delivery of the advance junction works are based on tendered submissions. The prices are valid up to 28 December 2017, and if the approvals to allocate funds are gained, the work on the advance junctions will start on site during January 2018.

3.6.7 The works on the full ELOR package are continuing to progress and it is anticipated that work could start on site in May 2019, subject to Decision Point 5 approval (Full Business Case with Finalised Costs). The full ELOR package will return to Investment Committee for a recommendation for approval to WYCA at either Decision Point 4 (Full Business Case) or Decision Point 5 (Full Business Case with Finalised Costs).

3.6.8 **Costs**

Total ORR project cost - £14.046m

WYCA Total funding - £14.046m

3.6.9 WYCA Funding Approvals to date – The full ELOR package of schemes has a £3.900m approval (which covered design and preparation for Phase 1 and OBC for balance of ELOR project) and £6.750m to cover land costs (none of which is required for this ORR project). This was combined with a £1.160m contribution from funding approved by WYCA to commence development work on WY+TF projects before the growth deal was established. This existing approval has funded the development of this project, and has not been included in the total project cost presented above.

3.6.10 **Timescales**

ORR Project starts on site – January 2018

ORR Project Completion Date – April 2019

3.6.11 **Project Responsibilities**

Senior Responsible Officer: Oliver Priestley, Leeds City Council

Project Manager: Paul Russell, WSP on behalf of Leeds City Council

WYCA Case Officer: Paul Roberts

Tolerances

3.6.12 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 total project cost remains within 10% of the total project cost provided in this report.

- That the project delivery timescales remain within 3 months of the timescales outlined in this report.

Recommendations

3.6.13 That WYCA approves that:

- The East Leeds Outer Ring Road Junctions Project (part of the East Leeds Orbital Road Package of schemes) proceeds through Decision Point 5 (Full Business Case with Finalised Costs) and work commences on Activity 6 (Delivery).
- Approval to WYCA's contribution of £14.047m (which will be funded from the WY+TF) is given, taking the total project approval for the full ELOR package of schemes to £25.857m (£14.047m plus £3.900m for design and preparation for Phase 1 and the OBC for the ELOR project plus £6.750m for land costs and a £1.160m contribution from funding approved by WYCA to commence development work on WY+TF projects before the growth deal was established (all funded from the WY+TF)).
- WYCA enter into an addendum to the existing Funding Agreement with Leeds City Council for expenditure of up to £25.857m from the WY+TF.
- 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.

Projects in Stage 3 – Programme Committed



3.6.14 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.

3.7 Strategic Inward Investment Fund (Activity 6 Delivery) Exception.

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

Background

- 3.7.1 The scheme provides the region with a funding stream to support significant inward investment projects locating in Leeds City Region, enabling the region to compete more effectively against international locations for job creating projects. Applications are received via referral from the Inward Investment team and awards are made on the basis of business case applications that will be appraised by the LEP Business Investment Panel and seek approval from WYCA.
- 3.7.2 The scheme eligibility parameters were that awards will be for grants larger than £250k and, in the main, lower than £1m, although no firm upper limit has been set. The target job creation figure for the scheme are 1,245.
- 3.7.3 The Strategic Inward Investment Fund (SIIF) was approved In July 2017 and is now receiving applications from projects.

Details of the Exception

- 3.7.4 The exception aims to widen the Strategic Inward Investment Fund to enable more large businesses from across the Leeds City Region to be eligible to apply. The exception proposes that the lower limit of the scheme is decreased in line with the de minimis level (€200,000), which will vary in GBP value depending upon the prevailing exchange rate. This exception is proposed in order to ensure the scheme provides maximum flexibility, compliant with the relevant State Aid regulations. The exception will enable support to large businesses locating in the region outside of the designated Assisted Areas. Because of the nature of state aid funding, assistance to large businesses outside of assisted areas is limited to the de minimis aid amount equivalent to €200,000 (EU De minimis Aid Regulation allows small amounts of aid to be given to a project for a wide range of range of purposes). As a result the lower grant limit of £250,000 for the Strategic Inward Investment Fund means that applications that would only qualify for de minimis aid are not currently allowable under the Fund. Reducing the Strategic Inward Investment limit to the GBP equivalent to €200,000 (which would be calculated at time of application), would ensure that businesses could be supported across the wider geography of the City Region.
- 3.7.5 In addition, this exception proposes that applications for grant funding of £250,000 or less to the Strategic Inward Investment Fund are assured in line with Business Growth Programme assurance and approval processes (approved in August 2017) and that decision making for these grants is delegated to Managing Director, on the basis of a recommendation at Decision Point 4 by Business Investment Panel. The current process requires a scheme to be considered by Investment Committee and WYCA at Decision Point 2 (Case paper), which is not felt to be proportionate for this lower level of grant.

Costs

3.7.6 There is no impact on the approved scheme value of £12.45m.

Timescales

3.7.7 The overall programme timescale remains unchanged. The grant fund will be in operation until March 2021.

Tolerances

3.7.8 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:

- If programme costs increase by more than 10%
- If programme slips by more than 3 months
- If there are changes to the parameters of the grant scheme
- If job outputs are forecast to reduce by more than 10% (1,245 jobs baseline), and/or Private Sector investment levered decreases more than 20% (£108m) baseline

3.7.9 Project Responsibilities

Senior Responsible Officer:	David Shepherd, WYCA
Project Manager:	Sam Lewis, WYCA
Case Officer:	Heather Briggs, WYCA

Recommendations

3.7.10 That WYCA approves that:

- The exception is approved to change the Strategic Inward Investment Fund lower limit for applications from £250, 000 to GBP equivalent (at time of application) to €200,000.
- The exception is approved to amend the assurance and approval processes for applications of £250,000 or below as outlined in this report, so that these decisions are delegated to the WYCA Managing Director.

4 Schemes proceeding directly to WYCA

4.1 The following schemes have proceeded directly to WYCA ahead of consideration by the Investment Committee due to the nature of their funding stream or governance requirements.

4.2 The Leeds City Region Warm Homes Programme (Decision Point 2 Case Paper)

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

Background

- 4.2.1 The Leeds City Region Warm Homes Programme and Projects will deliver central heating systems (gas fired), and gas connections where appropriate, to fuel poor households across the Leeds City Region (LCR). LCR is home to around 3m people and has around 140,000 fuel poor households, which represents an average fuel poverty rate of 10.8%, compared to 10.4% nationally. Fuel poor households often live in cold and damp housing, are vulnerable to poor health and possible exclusion from services such as education and the jobs market. Many of the fuel poor households in LCR do not use mains gas to heat their homes; identifying and improving these properties will be the overarching aim of the LCR Warm Homes Programme. An adequately heated home has positive impact on health, the ability to participate in education by providing a quiet warm place to study, and access to the jobs market.
- 4.2.2 The Programme has been developed in response to National Grid's £150m Warm Homes Fund which was announced in July 2017, to be awarded in three rounds. WYCA and partners have developed a £1.6m bid, which was submitted to National Grid in September 2017. The Leeds City Region Warm Homes Programme and Projects will deliver central heating systems (gas fired), and gas connections where appropriate, to fuel poor households across the Leeds City Region.
- 4.2.3 Whilst the funding application was for £1.812m to fund both gas and oil heating systems, the oil systems element of the programme was not approved so the project will proceed on the basis that only gas systems will be installed. The offer from the National Grid Warm Homes Fund is £1.620m.
- 4.2.4 The total value of the project is £2.910m. In addition to WYCA's funding contribution of £1.620m, the scheme will also be funded through contributions from District Councils, EON, Northern Gas Networks and private landlords.
- 4.2.5 The funding will fund gas central heating systems, and the Programme Management of the scheme. There is no requirement for WYCA funding to directly deliver the Programme and outputs, however WYCA will be lead partner and responsible for delivery. WYCA will enter into the funding agreement with National Grid.
- 4.2.6 Measures to privately owned and rented properties will be delivered through existing contracts with Keepmoat, measures to social housing will be delivered through

Housing Leeds existing contract arrangements. A grant agreement between WYCA and Housing Leeds will be required.

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

Costs

4.2.8 Total Project Cost: £2.910m

WYCA Contribution: £1.620m (to be funded from the National Grid Warm Homes Grant to WYCA)

Total Other Public Sector Funding: £0.825m

Total Other Private Sector Funding: £0.465m

4.2.9 Timescales

- Funding award: November 2017
- Grant agreement: January 2018
- Scheme completion (final report and evaluation): April 2019

Tolerances

4.2.10 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 WYCA's contribution remains within the value set out in this report.
- That the scheme is delivered within 6 months of the timescale set out in this report.

Project Responsibilities

4.2.11 Senior Responsible Officer: Elizabeth Courtney
Project Manager: Vicky Dumbrell
WYCA Case Officer: Daisy Johnson

Recommendations

4.2.12 That WYCA approves that:

- The Warm Homes programme proceeds through Decision Point 2 (Case paper) and work commences on Activity 5 (Full Business Case with Finalised Costs).
- Indicative approval is given to the total Project cost of £2,909,600 and WYCA's contribution of £1,619,960 (to be funded from the National Grid Warm Homes 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 cost).

- 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.

4.3 WYCA Website (Web3) (Decision Point 2 Case Paper)

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

Background

- 4.3.1 The project is focused on the design, development and launch of a new website for West Yorkshire Combined Authority (WYCA). It aims to consolidate all of WYCA's existing websites (including those of WYCA, LEP, Invest, City Connect, Metro and Mcard) into a single website. This will deliver a more efficient, cost effective and user-friendly online portal which will be used as a platform to showcase the WYCA brand and share a wide breadth of information on what the organisation does in a single place.
- 4.3.2 The project builds upon the work being delivered as part of Web2 programme which should be completed in January 2018 to move the websites to a new Content Management System (CMS), known as Umbraco which is hosted by Azure. The project is seen as a key deliverable of the emerging Corporate Technology Strategy, specifically an extension of the Website Harmonisation strand (Priority 3), and the core deliverable of 'Pillar 1: A platform for a single organisation' in the Digital Strategy, which both aim to provide the organisation with a quality external communications and engagement platform in a single technology that better meets the needs of the business.
- 4.3.3 A summary of the Scheme's Business Case is included in **Appendix 2**.
- 4.3.4 **Costs**
- 4.3.5 The scheme requires funding of £0.3m to cover the costs of development, testing and launch of the new website. The scheme promoter does not expect there to be any development costs associated with progressing the scheme to Full Business Case with finalised cost (Activity 5). It is anticipated that the Communication Team's revenue budget for staff time/resources will cover the project management costs linked with the preparation of FBC document, a brief for tendering a technical agency

to design, test and build the new website, as well as hosting an open day with prospective tenders.

Timescales

- 4.3.6 The Website update (Web3) programmes a Full Business Case with finalised cost submission in January 2018, with scheme completion by June 2018

Tolerances

- 4.3.7 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 scheme remains within 10% of the total project cost outlined in this report.
- The scheme's delivery programme remains within 3 months of the timescales set out in this report.

4.3.8 Project Responsibilities

Senior Responsible Officer: Roger Baker, WYCA;
Project Manager: Guy Shrimpton, WYCA; and
WYCA Case Officer: Adam Kendall Ward, WYCA.

Recommendations

That WYCA approves that:

- The WYCA Website (Web3) project proceeds through Decision point 2 and work commences on the Full Business Case with Finalised Cost (Activity 5).
- Indicative approval is given to the total project cost of £0.300m to be funded from WYCA's overall capital programme, (with the funding source coming from cash, eligible programmes and / or borrowing) 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)
- That future approvals are made in accordance with the Assurance Pathway with Full Business Case with finalised cost (Activity 5) approval 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.

5 Financial Implications

- 5.1 The report seeks endorsement to expenditure from the available WYCA 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 WYCA and the organisation in question.

7 Staffing Implications

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

8 External Consultees

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

9 Recommendations

Leeds City Region Enterprise Zones Programme (Decision Point 2)

- 9.1 That WYCA approves that:
- i. The Leeds City Region Enterprise Zones Programme proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case) for the Phase 2 sites outlined in this report and Activity 4 (Full Business Case) for Phase 1 Leeds EZ.
 - ii. An indicative Approval to the £20.000m programme cost is given from the Local Growth Fund with Full Approval to spend being granted to individual sites once they have progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
 - iii. Development costs of up to £0.302m from the Local Growth Fund are approved in order to progress Phase 2 sites to Decision Point 3 (Outline Business Case).
 - iv. Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Steeton and Silsden A629 Foot/Cycle Crossing (Decision Point 2)

- 9.2 That WYCA approves that:

- i. The Steeton and Silsden A629 Foot/Cycle Crossing proceeds through Decision Point 2 (Case Paper) and work commences on Activity 3 (Outline Business Case).
- ii. Approval to the total project value of £0.210m is given from the CCAG Fund (which incorporates the DfT Grant) for Activity 3 (OBC) only.
- iii. WYCA enter into a Funding Agreement with City of Bradford Metropolitan District Council for expenditure of up to £0.210m from the CCAG Fund.
- iv. Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including that Decision Point 3 approval will be delegated to WYCA's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in this report.

A641 - Bradford to Huddersfield Corridor (Activity 1 Exception)

9.3 That WYCA approves that:

- i. Further development costs of up to £0.630m are approved from the West Yorkshire plus Transport Fund to enable further Expression of Interest development, in order to progress the scheme to Decision Point 2 (Case Paper), taking the total project approval to £0.730m.
- ii. WYCA enters into an addendum to the existing funding agreement with Calderdale Council for A641 - Bradford to Huddersfield Corridor for additional expenditure of up to £0.630m from the WY+TF.
- iii. Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

ELOR Leeds Outer Ring Road Junctions (Decision Point 5)

9.4 That WYCA approves that:

- i. The East Leeds Outer Ring Road Junctions Project (part of the East Leeds Orbital Road Package of schemes) proceeds through Decision Point 5 (Full Business Case with Finalised Costs) and work commences on Activity 6 (Delivery).
- ii. Approval to WYCA's contribution of £14.047m (which will be funded from the WY+TF) is given, taking the total project approval for the full ELOR package of schemes to £25.857m (£14.047m plus £3.900m for design and preparation for Phase 1 and the OBC for the ELOR project plus £6.750m for land costs and a £1.160m contribution from funding approved by WYCA to commence development work on WY+TF projects before the growth deal was established (all funded from the WY+TF)).
- iii. WYCA enter into an addendum to the existing Funding Agreement with Leeds City Council for expenditure of up to £25.857m from the WY+TF.
- iv. 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.

Strategic Inward Investment Fund (Activity 6 Exception)

9.5 That WYCA approves that:

- i. The exception is approved to change the Strategic Inward Investment Fund lower limit for applications from £250,000 to GBP equivalent (at time of application) to €200,000.
- ii. The exception is approved to amend the assurance and approval processes for applications of £250,000 or below as outlined in this report, so that these decisions are delegated to the WYCA Managing Director.

The Leeds City Region Warm Homes Programme

9.6 That WYCA approves that:

- i. The Warm Homes project proceeds through Decision Point 2 (Case paper) and work commences on Activity 5 (Full Business Case with Finalised Costs).
- ii. Indicative approval is given to the total Project cost of £2,909,600 and WYCA's contribution of £1,619,960 (to be funded from the National Grid Warm Homes Fund).
- iii. 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 Website (Web3)

9.7 That WYCA approves that:

- i. The WYCA Website (Web3) project proceeds through Decision point 2 and work commences on the Full Business Case with Finalised Cost (Activity 5); An indicative funding allocation of £0.300m from part of the Authority's overall capital programme, (with the funding source coming from cash, eligible programmes and / or borrowing) with full approval to spend once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with finalised cost); and
- ii. That future approvals are made in accordance with the Assurance Pathway with Full Business Case with finalised cost (Activity 5) approval 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.

10 Appendices

Appendix 1 – Warm Homes Fund EOI Case Paper Summary

Appendix 2 – WYCA Website (Web3) Development EOI Case Paper Summary

11 Background Documents

None as part of this report.