



**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE
HELD ON THURSDAY, 9 NOVEMBER 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Peter Box CBE (Chair)
Roger Marsh OBE (Deputy Chair)
Councillor Barry Collins
Councillor Ian Gillies
Councillor Denise Jeffery
Councillor Richard Lewis
Councillor Alex Ross-Shaw

Wakefield Council
Leeds City Region Enterprise Partnership
Calderdale Council
City of York Council
Wakefield Council
Leeds City Council
Bradford Council

In attendance:

Councillor Eric Firth
Angela Taylor
Melanie Corcoran
Paul McKeown
David Moore
Justin Wilson
Lisa Childs
Rachel Jones
Samuel Lewis
Alistair Ryder
Heather Waddington
Patrick Bowes
Jacqui Warren
Peggy Haywood
Ruth Chaplin

WYCA Transport Committee (to minute 27 only)
WYCA
WYCA (to minute 27 only)
Network Rail (to minute 24 only)
WYCA (to minute 25 only)
WYCA (to minute 25 only)
WYCA (to minute 25 only)
WYCA (to minute 25 only)
WYCA (to minute 25 only)
WYCA (to minute 25 only)
WYCA (minute 28 only)
WYCA (minute 28 only)
WYCA (minute 28 only)
DCLG (minute 28 only)
WYCA

18. Apologies for Absence

Apologies for absence were received from Councillor P McBride.

19. Declarations of Disclosable Pecuniary Interests

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

20. Exempt Information - Possible Exclusion of the Press and Public

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 the appendices to Agenda Items 9, 10 & 11 on the grounds that it is 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.

21. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 6 September 2017

Resolved: That the minutes of the West Yorkshire and York Investment Committee held on 6 September 2017 be approved and signed by the Chair.

22. 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 (KPIs) and on the implementation of the Growth Deal programme.
- A summary of the activities of the Investment Committee workshop held on 31 October 2017.
- An update on the current activity in respect of the Independent Evaluation of the West Yorkshire plus Transport Fund (WY+TF).

It was reported that a review of WYCA's performance had been undertaken and it was anticipated that the Relationship Officer from the Cities and Local Growth Unit (CLog) would now make a recommendation to the National Accounting Officer regarding payment of the remaining £42.23m for 2017/18. It was noted that the seven KPIs had been achieved and details were summarised in Appendix 1 to the submitted report. Members discussed KPI-3 and the need to increase capacity in order to progress housing and regeneration projects and the Committee asked that this be brought to WYCA's attention.

The Growth Deal Dashboard and Pipeline were attached at Appendices 2 and 3 of the submitted report. Members noted the projects currently rated as Red which represented a risk to the delivery of the programme and that contingency arrangements in relation to acceleration of expenditure on three major contracts would address any shortfall against the target.

It was noted that at the workshop held on 31 October 2017, consideration had been given to the expressions of interest submitted under the recent call for projects. It was reported that any feedback received on the call for schemes would be discussed with the relevant Districts and a reserve list against priority areas would be prepared

and brought to the next meeting of the Committee.

The Committee was provided with an overview and update in respect of the 2019/20 Independent Evaluation of the WY+TF and the development of the Locality Evaluation Framework. It was noted that a Locality Evaluation Plan, setting out the methods for evaluation of prioritised interventions, timescales, and monitoring requirements would be developed following completion of the Framework. It was anticipated that the Locality Evaluation Plan would be completed by December 2017 and would be brought to a future meeting of the Committee.

Resolved:

- (i) That the progress towards the achievement of the KPIs and the implementation of the Growth Deal be noted.
- (ii) That the Independent Evaluation of the West Yorkshire plus Transport Fund and the development of Locality Evaluation Framework be noted.

23. WYCA Capital Programme Update

The Committee considered a report of the Director of Delivery which provided an overview of WYCA's programme of capital expenditure.

The report highlighted progress and detailed each funding stream, the management processes and any requirements in terms of spend and achievement of the funding bodies. In welcoming the report, members highlighted the need for consideration to be given in how engagement with the public can be improved and also promoting WYCA and its achievements, for example by providing information at bus stations.

Members considered the future monitoring and reporting of WYCA's capital programme. It was proposed that a report on the full programme should be undertaken every six months providing progress mid-year and after the financial year end, with an interim report in March setting out expected outturn. Reports would be provided on individual funding streams or programmes by exception as required.

Resolved:

- (i) That the summary of the WYCA Capital Programme be noted.
- (ii) That a report on the Programme be received three times a year.

24. Working with Network Rail

The Committee considered a report of the Director of Delivery which set out current issues and provided an update on the progress being made towards more effective partnership working with Network Rail.

It was noted that there were a number of projects/programmes in the West Yorkshire plus

Transport Fund (WY+TF), the Leeds Public Transport Investment Programme (LPTIP) and previous schemes in the Local Transport Plan (LTP) where Network Rail have an interest or involvement in the scheme. There had been a number of delays to Growth Deal projects which required approvals from, or agreements with, Network Rail and meeting was attended by their representative, Paul McKeown who discussed the steps being taken to address the issues and improve the partnership approach.

Whilst welcoming the progress being made in some areas, members raised their concerns in respect of the delays to schemes which were important in delivering economic growth in the North and the Government's Industrial Strategy. In particular the Committee's concerns related to the electrification of the TransPennine route (including the Calder Valley), the East Coast Main Line and the problems encountered with land acquisition during the construction of the Wakefield Eastern Relief Road.

The Committee thanked Paul McKeown for attending the meeting which members had found useful and it was suggested that the dialogue should be continued at future meetings.

Resolved:

- (i) That the progress made towards developing an improved partnership approach to working with Network Rail be noted.
- (ii) That Paul McKeown be thanked for attending the meeting.

25. Capital Spend and Project Approvals

The Committee considered a report of the Director of Delivery on proposals for the progression of, and funding for, a number of West Yorkshire plus Transport Fund (WY+TF) and Growth Deal projects at Stages 1, 2 and 3 of WYCA's Assurance Process.

Members considered the following 3 schemes which were detailed in the submitted report:

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)

The report also provided further details and outlined recommendations for the following schemes which have had exception reports assessed in line with WYCA's Assurance Process:

A641 – Bradford to Huddersfield Corridor	Activity 1 (Expression of Interest) Exception
Strategic Inward Investment Fund	Activity 6 (Delivery) Exception

The Committee was provided with details of decisions made through delegation to WYCA's Managing Director since the last meeting for the following schemes:

Burberry Ltd Global Shared Services Centre	Decision Point 5 (Full Business Case with Finalised Costs)
Digital Sector Soft Landings Grant Scheme	Decision Point 5 (Full Business Case with Finalised Costs)

It was noted that the Portfolio Information Management System (PIMS) had proceeded directly to WYCA ahead of consideration by the Investment Committee due to the nature of the funding stream. The £0.240m funding (by WYCA), was approved at the WYCA meeting held on 5 October 2017.

Summaries of the schemes' Business Cases were attached as Appendices 1-8 of the submitted report.

Resolved:

- (i) In respect of **Leeds City Region Enterprise Zones Programme (Decision Point 2)**, the Investment Committee recommends to WYCA 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 the submitted 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 (Full Business Case 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 the submitted report. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (ii) In respect of **Steeton and Silsden A629 Foot/Cycle Crossing (Decision Point 2)**, the Investment Committee recommends to WYCA 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 DfT Grant) for Activity 3 (Outline Business Case) 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 the submitted 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 the submitted report.

(iii) In respect of **A641 – Bradford to Huddersfield Corridor (Activity 1 Exception)**, the Investment Committee recommends to WYCA that:

- Further development costs of up to £0.630m are approved from the West Yorkshire plus Transport Fund (WY+TF) 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 the submitted report. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(iv) In respect of **ELOR Leeds Outer Ring Road Junctions (Decision Point 5)**, the Investment Committee recommends to WYCA 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 of WYCA's contribution of £14.047m (which will be funded from the West Yorkshire plus Transport Fund (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 Outline Business Case 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 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.
- (v) In respect of the **Strategic Inward Investment Fund (Activity 6 Exception)**, the Investment Committee recommends to WYCA 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 the submitted report, so that these decisions are delegated to the WYCA Managing Director.

26. Provision of a Grant to Project Beta

The Committee considered a report of the Executive Head of Economic Services which advised of the situation relating to Project Beta and proposed support to the future provision of grant funding of up to £3 million.

It was reported that WYCA had previously approved the continuation of Project Beta to Activity 4 (Full Business Case). Members were advised that the nature of support requested has now changed and the company was seeking a £3m grant to enable them to commit to locating their facility in Leeds.

Resolved: That the Investment Committee recommends to WYCA that support in principle is given to the provision of grant funding of up to £3 million to Project Beta subject to the scheme's progression through the WYCA Assurance Process.

27. GPF 102 Provision of Support Grant

Councillors Box and Jeffery left the room for consideration of this item and the Chair was taken by Roger Marsh.

The Committee considered a report of the Director of Delivery advising of the situation relating to GPF Loan 102 and to propose the provision of grant funding of up to £50k.

It was noted that the Investment Committee had previously considered the grant funding of £200k and had recommended that £150k be provided in early 2017 and that an additional £50k be retained for consideration at a later date.

The Business Investment Panel had been regularly reviewing the ongoing development and associated risk of the project and it was proposed that further grant funding of up to £50k be provided. It was noted that the reference points had not yet been agreed and it was proposed that the grant be released only in a specific set of circumstances and with certain conditions that the Business Investment Panel will be asked to confirm.

Resolved: That the Investment Committee recommend to WYCA the provision of grant funding of £50k to support LEP Loan 102, the details of the final terms and conditions to be progressed through the delegation to WYCA's Managing Director.

28. ESIF SUD

The Committee considered a report of the Director of Resources on the outline applications for Sustainable Urban Development (SUD), part of the European Structural and Investment Funds (ESIF) Programme and to provide advice to WYCA, in its role as the Intermediate Body.

Members considered the advice contained within each of the five assessments for the outline applications which had been received following the Call and the prioritised project list. The SUD will provide project grant funding of €19.5m (c. £15.5m) in support of key projects to support the delivery of the ESIF Strategy and the Strategic Economic Plan. It was noted that WYCA, as Intermediate Body, would finalise its assessment and advice to the DCLG as Managing Authority who would then make its selection decision.

Resolved: That the Investment Committee recommend to WYCA the advice contained with the outline assessments and the prioritised project list for SUD part of the ESIF Programme, as set out in the exempt Appendix 1.

29. Minutes of the Business Investment Panel held on 21 September 2017

Resolved: That the minutes of the meeting of the Business Investment Panel held on 21 September be noted.

30. Draft Minutes of the Business Investment Panel held on 17 October 2017

Resolved: That the draft minutes of the meeting of the Business Investment Panel held on 17 October 2017 be noted.