

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE
HELD ON WEDNESDAY, 18 APRIL 2018 AT COMMITTEE ROOM A -
WELLINGTON HOUSE, LEEDS**

Present:

Councillor Peter Box CBE (Chair)	Wakefield Council
Roger Marsh OBE (Deputy Chair)	Leeds City Region Enterprise Partnership
Councillor Ian Gillies	City of York Council
Councillor Denise Jeffery	Wakefield Council
Councillor Richard Lewis	Leeds City Council
Councillor Peter McBride	Kirklees Council
Councillor Alex Ross-Shaw	Bradford Council

In attendance:

Councillor Eric Firth	Deputy Chair, Transport Committee
Melanie Corcoran	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Chris Brunold	West Yorkshire Combined Authority
Caroline Farnham-Crossland	West Yorkshire Combined Authority
Jess McNeill	West Yorkshire Combined Authority
Alistair Ryder	West Yorkshire Combined Authority
Ruth Chaplin	West Yorkshire Combined Authority

53. Apologies for Absence

Apologies for absence were received from Councillor Barry Collins.

54. Declarations of Disclosable Pecuniary Interests

Councillor Ross-Shaw declared an other interest (not comprising a Disclosable Pecuniary Interest) in Agenda Item 6, Capital Spending and Approvals, Growing Places Fund LEP Loan 318, as he is an unpaid Director of Canal Road Urban Village Limited (CRUVL).

55. Exclusion of the Press and Public

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

56. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 21 March 2018

Resolved: That the minutes of the West Yorkshire & York Investment Committee held on 21 March 2018 be approved and signed by the Chair.

57. Leeds City Region Growth Deal Delivery

The Committee considered a report on progress made on the implementation of the Growth Deal programme.

The dashboards for the Growth Deal and West Yorkshire plus Transport Fund (the Transport Fund) were attached at Appendices 1 and 2 and detailed the latest forecast expenditure and RAG rating of each project. It was noted that the area of greatest risk to achievement of expenditure lies with the Transport Fund claims from partner councils which will not be received until 13 April 2018.

It was reported that the current forecast spend for 2017/18 is within 10% of the £100.15 million target spend with a projected outturn figure of £91.35 million. It was noted that the difference in projected outturn and target was as a result of a payment being withheld that was due to be paid to Carillion. Information in respect of contingency was provided in the submitted report and it was noted that the Cities and Local Growth Unit would take into consideration the reasons for underspend particularly where they are beyond the control of the Combined Authority and its partners.

In respect of the Growth Deal 2018/19, it was noted that the expenditure forecasts for 2018/19 are being finalised and expected to increase in line with the target of £102 million. Members were advised that as part of the Growth Deal, significant funding had been secured for the West Yorkshire plus Transport Fund to which local contributions are also required. However, borrowing will be necessary in order to achieve the ambition of delivering a programme of schemes more quickly than the twenty years for which the funding has been granted and discussions are underway with the European Investment Bank (EIB) to provide a borrowing facility.

Members noted the update on project progress and performance and details of the projects which have a red RAG rating were provided in the submitted report. In respect of the York Guildhall, it was reported that an update on progress would be provided at a future meeting.

Resolved: That progress towards the implementation of the Growth Deal be noted.

58. Capital Spending & Project Approvals

The Committee considered a report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Deal at stages 1, 2 and 3 of the Combined Authority's assurance process.

Members considered the following four schemes which were detailed in the submitted report including a summary of risks:

- Department for Environment, Food and Rural Affairs (DEFRA) Clean Bus Technology Fund
- Growing Places Fund – LEP Loan 318, New Bolton Woods
- Transport Fund – A629 Halifax Road, phase 5
- Growth Deal - Beech Hill, Halifax

Summaries of the schemes' business cases were attached as Appendices 1-4 of the submitted report.

The report also set out details of decisions made through the agreed delegation to the Combined Authority's Managing Director since the last meeting for the following schemes:

- York Outer Ring Road roundabouts – phase 1
- Leeds City Region flood alleviation – Wyke Beck
- Bus hotspots 2017/19 programme
- One Public Estate – phase 6

It was reported that at its meeting on 5 April 2018, the Combined Authority had considered and approved the Energy Accelerator programme moving to decision point 5 with final approvals delegated to the Combined Authority's Managing Director. This will enable the programme to be established by autumn 2018. The report had highlighted the programme risks and the measures in place to manage these and, in light of these risks, the Combined Authority had requested confirmation from Investment Committee regarding the assurance of the programme and the individual projects. The Committee discussed the assurance arrangements for the Energy Accelerator programme which were outlined in the submitted report and confirmed it was satisfied with these.

Resolved:

- (i) In respect of Department for Environment, Food and Rural Affairs (DEFRA) - Clean Bus Technology Fund (CBTF) (decision point 2 case paper) the Investment Committee recommends to the Combined Authority that:
 - (a) The Clean Bus Technology Fund (CBTF) project proceeds through decision point 2 and work commences on activity 5 full business case with costs alongside preparation and commencement of the grant allocation process.
 - (b) An indicative approval to the total project value of £4.756 million (this includes Combined Authority, Leeds City Council grant awards and operator match funding) is given from the DEFRA Clean Bus Technology Fund awarded to the Combined Authority and Leeds City Council 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) Combined Authority project development and delivery costs of £120,000 are approved up front in order to progress the scheme to decision point 5 full business case, before being reimbursed from the scheme's private sector match funding.
 - (d) The Combined Authority enters into an agreement with Leeds City Council (LCC) for the Combined Authority to receive and manage on LCC's behalf their CBTF funding award (£1.371 million) from the CBTF fund for the whole of West Yorkshire.
 - (e) 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 the Combined Authority's Managing Director following a recommendation by the Combined Authority'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 Growing Places Fund LEP loan 318 (decision point 2 - case paper), the Investment Committee recommends to the Combined Authority that:
 - (a) The LEP Loan 318 project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
 - (b) An indicative approval to the total loan value of £346,000 is given from the Growing Places 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) 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 the Combined Authority's Managing Director following a recommendation by the Combined Authority'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 West Yorkshire plus Transport Fund (WYTF) A629 Halifax Road, phase 5 (decision point 3 outline business case), the Investment Committee recommends to the Combined Authority that :
 - (a) The WYTF (Transport Fund) A629 Halifax Road Phase 5 project proceeds through decision point 3 and work commences on activity 4 (full business case).

- (b) An indicative approval to the total project value of £12.09 million is given from the Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 4 (full business case).
 - (c) Development costs of £4.113 million are approved in order to progress the scheme to decision point 4 (full business case), taking the total project approval to £4.418 million and that an addendum to the funding agreement Kirklees council for the additional £4.113 million is entered into.
 - (d) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 4 (full business case) through Investment Committee and Combined Authority and at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority'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 (decision point 4 – full business case), the Investment Committee recommends to the Combined Authority that:
 - (a) The Beech Hill project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs)
 - (b) That conditional approval to the total project value of £5.4 million is given (which includes a £1.4 million contribution from the Growth Deal 3 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) Future approvals are made in accordance with the approval pathway and approval route outlined in this report to include at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (v) That the assurance arrangements for the Energy Accelerator Programme be noted and forwarded to the Managing Director for consideration.