

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON THURSDAY, 2 AUGUST 2018 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council (to minute 36)
Councillor Tim Swift MBE	Calderdale Council
Councillor Judith Blake CBE	Leeds City Council (to minute 36)
Councillor Peter Box CBE	Wakefield Council (to minute 36)
Councillor Stewart Golton	Leeds City Council
Councillor David Hall	Kirklees Council
Councillor Shabir Pandor	Kirklees Council
Councillor John Pennington	Bradford Council
Councillor Andrew Waller	City of York Council

In attendance:

Graham Botham	Network Rail (to minute 33)
Rob Warnes	Northern (to minute 33)
Graham Meiklejohn	Transpennine Express (to minute 33)
Angela Taylor	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Dave Pearson	West Yorkshire Combined Authority
Ruth Chaplin	West Yorkshire Combined Authority

28. Apologies for Absence

Apologies for absence were received from Roger Marsh.

29. Declarations of Disclosable Pecuniary Interests

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

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

Resolved:

- (a) 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 Appendices 7 and 10 to Agenda Item 8 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.

- (b) That in accordance with paragraph 5 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 1 to Agenda Item 13 on the grounds that it contains legally privileged information and if members of the press and public were present there would be disclosure to them of exempt information. It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice legal proceedings.

31. Minutes of the Meeting of the Combined Authority held on 28 June 2018

Resolved: That the minutes of the annual meeting of the West Yorkshire Combined Authority held on 28 June 2018 be approved and signed by the Chair.

32. Governance Arrangements

The Combined Authority considered a report of the Director of Resources in respect of governance arrangements.

The report provided an update on appointments to committees and panels of the Combined Authority and sought approval for the proposed membership of the Inclusive Growth and Public Policy Panel which was set out in Appendix 2 of the submitted report. Councillor Waller confirmed that York would like to be represented on the Inclusive Growth and Public Policy Panel and it was agreed that a nomination would be sought from them.

Members also endorsed the appointment of Councillor Blake as the representative for the Combined Authority and City of York Council on the Rail North Committee of Transport for the North.

Resolved:

- (a) That the updated appointments as set out in Appendices 1 and 2 of the submitted report be noted.
- (b) That the membership of the Inclusive Growth and Public Policy Panel as set out in Appendix 2 to the submitted report be approved and a nomination from York City Council be sought.
- (c) That the appointment of Councillor Blake as the representative for the Combined Authority and the City of York Council on the Rail North

Committee of Transport for the North, with Councillor Hinchcliffe as her substitute be endorsed.

33. Rail Performance and Governance

The Combined Authority considered a report of the Director of Transport Services on rail performance and governance.

At the last meeting, the Combined Authority had expressed their deep concern about the severe impact the poor rail performance in the north was having on passengers, employment, tourism and the economy in the City Region following timetable changes introduced in May 2018.

The meeting was attended by Rob Warnes, Performance and Planning Director, Northern, Graham Botham, System Operator Director, Network Rail and Graham Meiklejohn, Regional Development Manager, Transpennine Express. They offered their sincere apologies for the chaos and disruption to the rail services and acknowledged that improvements must be made urgently. Each was given the opportunity to address the meeting and provide an overview of their involvement in the process for planning the timetable changes, the reasons for the breakdown in performance following its introduction, the compensation being offered to passengers and the steps being taken to improve performance.

It was considered that there was a lack of accountability and members were extremely disappointed that assurances could not be given as to when improvements to the level of service would be made and that such disruption would not reoccur. They stressed that the compensation packages for affected passengers must be more widely communicated using all media sources.

It was noted that a review of the circumstances leading up to the timetable change was to be undertaken and this would be led jointly by Councillor Judith Blake and Jo Johnson, the Rail Minister. Members noted the remit of the Blake/Johnson Review and the terms of reference which were attached at Appendix 1. They discussed the key points outlined in the submitted report and these would be formally submitted for consideration by the review team.

A meeting would be arranged with representatives from the rail industry once the report and recommendations of the Blake/Johnson review have been received and more information on the measures being taken to improve performance including detailed, up-to-date performance figures and assurances on future performance can be provided. In the meantime the rail operators and Network Rail were asked to provide each district within the City Region with a summary of their plans.

Resolved:

- (a) That the impact on passengers of the May 2018 rail timetable change be noted.

- (b) That the submission of the key points set out in paragraph 2.24 of the submitted report to the Blake/Johnson Rail North Partnership Joint Review be approved.
- (c) That a meeting be arranged to consider the outcome of the Blake/Johnson review and discuss the issues further.
- (d) That the Director of Transport Services request Northern, Network Rail and Transpennine Express provide a summary of their plans for each district of the City Region.

34. Devolution and the Review of Local Enterprise Partnerships

The Combined Authority considered a report of the Interim Director of Policy and Strategy which:

- Provided an update on progress towards securing devolution to Leeds City Region.
- Provided details of the proposals contained in the Review of Local Enterprise Partnerships (LEP), announced by the Government on 24 July 2018.

Members noted the recent developments in relation to the One Yorkshire proposition and copies of the Secretary of State's letter in respect of the One Yorkshire submission and the response from the One Yorkshire Leaders were attached at Appendices 1 and 2 of the submitted report.

It was reported that the Government had recently announced the Review of Local Enterprise Partnerships and the summary of the Government's proposals was attached at Appendix 3. It was noted that the Government has asked for proposals for changes to existing LEP geographies, particularly in relation to the requirement to remove overlaps, by the end of September 2018. Councillor Waller reported that York City Council were disappointed at the rigid view of the geography as they overlapped into two LEP areas and asked that their concerns be taken into consideration. It was noted that there will be engagement with stakeholders and members requested further information and discussion on the various options to determine how best to respond.

Resolved:

- (a) That the recent developments in relation to securing devolution to Leeds City Region be noted.
- (b) That further discussions be held in respect of the review of Local Enterprise Partnerships.

35. Capital Spending and Project Approvals

The Combined Authority considered a report of the Director of Delivery on the progression and funding for the following schemes through the Combined Authority's assurance process:

- Rochdale Canal – Cycle Safety Fund
- Corridor Improvement Programme – A58/A672
- Corridor Improvement Programme – A646/A6033
- Beech Hill (Phase 1a and 1b)

Details of the four schemes were provided in the submitted report and it was noted that these had been considered and recommended for approval by the Investment Committee.

Members also considered the following schemes which have had change request reports assessed in line with the Combined Authority's assurance process and also been considered and recommended by the Investment Committee for approval:

- Forge Lane/Dewsbury Riverside
- Kirklees Housing Project
- Bradford One City Park
- Halifax Station Gateway

Consideration was given to the following schemes that have proceeded directly to the Combined Authority due to the nature of the funding streams or timescales related to delivery. Each scheme has been assessed in line with the Combined Authority's assurance process:

- Skills [re]boot project
- Leeds City Region Employment Hub

The Combined Authority also considered a recommendation to enter into a Funding Agreement with Wakefield Council in relation to the Wakefield Eastern Relief Road and details were provided in exempt Appendix 10.

The update on the Leeds New Station Street scheme was noted. It was reported that further work was being undertaken and a final business case will be considered by the Investment Committee in September with approval for the scheme being delegated to the Managing Director in consultation with the Chair of the Combined Authority.

Members discussed the funding and delivery of schemes and it was noted that a report on the impact of Brexit on the City Region would be prepared for the next meeting of the Combined Authority.

Resolved:

- (a) In respect of Rochdale Canal - Cycle Safety Fund - Canal Towpath Improvement Phase 2 - Hebden Bridge to Todmorden –

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the Rochdale Canal Towpath Improvement project proceeds through decision point 2 and work commences on activity 4 (full business case).
 - (ii) That an indicative approval is given to the total project value of £1.553 million and the Combined Authority funding contribution of £1.473 million (from the Department for Transport – Cycle Safety Grant 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). The remainder will be funded by £80,000 from Calderdale Council.
 - (iii) 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 the Combined Authority's Managing Director following a recommendation by either Investment Committee or the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (b) In respect of the Corridor Improvement Programme - A58/A672 -
- That following a recommendation from the Investment Committee, the Combined Authority approves:
- (i) That the Corridor Improvements Programme scheme - A58/A672 proceeds through decision point 3 and work commences on activity 4 (full business case).
 - (ii) That an indicative approval to the total project value of £6.024 million is given to be funded 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).
 - (iii) That the development costs of £706,665 are approved in order to progress the scheme to decision point 4 (full business case), and that the Combined Authority issue an addendum to the existing Funding Agreement with Calderdale Council for expenditure of up to £706,665 from the West Yorkshire plus Transport Fund taking the total approval to £941,665.
 - (iv) That future approvals are made in accordance with the approval pathway and approval route set out in the submitted report, to include at decision points 4 and 5 through a delegation to the Combined Authority's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (c) In respect of the Corridor Improvement Programme - A646/6033 Calderdale -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the Corridor Improvements Programme scheme - A646/6033 proceeds through decision point 3 and work commences on Activity 4 (full business case).
- (ii) That an indicative approval to the total project value of £5.092 million is given to be funded 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).
- (iii) That the development costs of £594,581 are approved in order to progress the scheme to decision point 4 (full business case), and that the Combined Authority issue an addendum to the existing Funding Agreement with Calderdale Council for expenditure of up to £594,581 from the West Yorkshire plus Transport Fund taking the total approval to £789,581.
- (iv) That future approvals are made in accordance with the approval pathway and approval route set out in the submitted report, to include at decision points 4 and 5 through a delegation to the Combined Authority's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (d) In respect of Beech Hill, Halifax -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the Beech Hill project (phase 1a) proceeds through decision point 5 and work commences on activity 6 (delivery).
- (ii) That the Beech Hill project (phase 1b) proceeds through decision point 2 and work commences on activity 4 (full business case) through the provision of an updated business case for both phases 1a and 1b.
- (iii) That indicative approval is given to the total revised Combined Authority funding requirement of £2.197 million, to be funded from the Local Growth Fund. Phase 1b total forecast cost of £797,000 to be funded from over-programming against the Local Growth 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).
- (iv) That approval is given for expenditure of up to £1.4 million for Phase 1a of the project to be funded from the Combined

Authority's Local Growth Deal and that the Combined Authority enter into a Funding Agreement with Calderdale Council for expenditure up to £1.4 million.

- (v) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report to include for Phase 1b at decision points 4 and 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.

(e) In respect of Forge Lane / Dewsbury Riverside -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the change request is approved to omit the Forge Lane site from the Growth Deal Priority 4a programme and that this site is substituted with the Dewsbury Riverside site with an indicative allocation of a grant from the Local Growth Fund to the value specified in the exempt Appendix, 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).
- (ii) That the Dewsbury Riverside project proceeds through decision point 2 and work commences on activity 4 (full business case).
- (iii) That the funding support to the Dewsbury Riverside site is provided in the form of a grant to the value specified in the exempt Appendix, rather than as a loan, (which was previously approved).
- (iv) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report, including at decision point 5, following a recommendation by the Combined Authority's programme appraisal team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(f) In respect of Kirklees Housing -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the change request to the Kirklees Housing project is approved to reduce the Local Growth Fund funding for Phase 1 (Ashbrow Housing and Soothill Housing Sites) to £700,000.
- (ii) That the change request is approved to omit the Stile Common site from the project and that this site is substituted with the Waterfront site (Phase 2) with an indicative allocation for a

£300,000 loan from the Local Growth Fund, subject to Phase 2 being brought back through the assurance process in the form of an expression of interest and considered by Investment Committee and the Combined Authority at decision point 2 (case paper).

- (iii) That the Combined Authority enters into an addendum to the existing loan agreement with Kirklees Council to reflect the change request.
- (iv) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report 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.

(g) In respect of One City Park, Bradford -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the change request to the One City Park project is approved to extension to the project timescales and that the project should reconfirm its business case as part of undertaking activity 5 (full business case with finalised costs).
- (ii) 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 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.

(h) In respect of Halifax Station Gateway -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the change request to the Halifax Station Gateway project of £793,000 additional development funds is approved. This takes the total approved development funds to £1.108 million.
- (ii) That the Combined Authority enters into a £793,000 addendum to the existing funding agreement with Calderdale Council for expenditure of up to £1.108 million from the West Yorkshire plus Transport Fund.
- (iii) 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 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.

- (i) In respect of Leeds City Region Employment Hub, the Combined Authority approves:
 - (i) That the Leeds City Region Employment Hub project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
 - (ii) That an indicative approval to the total project value of £9 million is given. The Combined Authority contribution will be £8.738 million, which will be funded from an anticipated ESF grant of £5.786 million, Business Rates Pool funding of £2.71 million (year 1 and years 2 & 3 allocation) and £242,000 from an existing revenue approval. Full approval to spend will be granted if the scheme has been successful in securing ESF funding and once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) That future approvals for Employment Hub are made in accordance with the assurance pathway and approval route outlined in the submitted 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.
- (j) In respect of Skills [re]boot project, the Combined Authority approves:
 - (i) That the [re]boot project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
 - (ii) That an indicative approval to the total project value of £3.145 million is given (of this, the Combined Authority's contribution will be £2.870 million which will be funded from an anticipated ESF grant of £1.573 and £1.297 million from Section 31 reserves). Full approval to spend will be granted if the scheme is successful in securing ESF funding and once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (iii) 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 the Combined Authority's Managing Director following a recommendation by the Combined Authority's Investment Committee. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (k) In respect of Wakefield Eastern Relief Road, the Combined Authority approves:
 - (i) That waiver of the requirement that the final account for the Wakefield Eastern Relief Road is settled prior to the Combined Authority entering into an addendum to the funding agreement with Wakefield Council.
 - (ii) That the Combined Authority enters into an addendum to the existing Funding Agreement with Wakefield Council for expenditure of up to £5.574 million taking the total value of the funding agreement to £37.593 million.
- (l) In respect of Leeds New Station Street, approval of the full business case and full business with finalised costs for the Leeds New Station Street scheme be delegated to the Combined Authority's Managing Director in consultation with the Chair of the Combined Authority following consideration by the Investment Committee in September 2018.

36. Channel 4 National HQ

The Combined Authority considered a report of the Executive Head of Economic Services which provided an update on the effort to attract the Channel 4 national HQ to Leeds City Region.

Members welcomed the announcement that Leeds has now been shortlisted as one of the final three locations which was tribute to the effort and partnership approach achieved across the City Region. There was unanimous support from members for the bid which, if successful, would provide benefits and opportunities for all districts in the City Region

Further information will be requested by Channel 4 and a process of negotiation will take place over the summer. It is expected that Channel 4 will announce its preferred location for the national headquarters and two new creative hubs in the autumn.

Resolved: That the City Region's bid for Channel 4 continue to be supported.

Councillor Hinchcliffe left and Councillor Swift chaired the remainder of the meeting.

37. Medium Term Financial Strategy and Budget 2019/20

The Combined Authority considered a report of the Director of Resources which provided an update on the medium term financial strategy and budget planning for 2019/20.

Members noted the proposed timetable for the development of the financial strategy and budget and for engaging with members and partners before its approval in February 2019 which was attached at Appendix 1. A budget

summary which set out the position agreed by the Combined Authority in February 2018 was attached at Appendix 2. It was reported that any changes that have occurred since February 2018 would be addressed in the revised strategy and members discussed the key issues, assumptions and changes to be taken into consideration which were detailed in the submitted report.

A report would be brought to the next meeting, setting out details of costs and income for the next three years and highlighting where decisions are required. Consideration would also be given for public consultation and engagement as part of the budget setting process.

Resolved: That the report be noted.

38. Corporate Planning & Performance

The Combined Authority considered a report of the Director of Resources in respect of corporate planning and performance.

Members discussed corporate performance including progress against corporate priorities, risk management and budget provision. Appendix 1 set out the current status of the 14 key Corporate Plan priorities and an update on the key strategic risks.

It was reported that the Governance and Audit Committee had considered the updated Corporate Risk Management Strategy and had approved the 2017/18 annual accounts at their meeting held on 30 July 2018. The external auditor, Mazars, had reported their findings and had given an unqualified audit opinion, without modification. The current spend against budget was summarised in Appendix 2 and it was noted that there were currently no areas of concern to report.

Resolved: That the report be noted.

39. Appointment of Director of Policy, Strategy and Communications

The Combined Authority considered a report of the Managing Director on the appointment of Director of Policy, Strategy and Communications.

Members noted the process which had been undertaken to recruit a Director of Policy, Strategy and Communications and ratified the appointment of the preferred candidate.

Resolved: That the recommendation of the Member Appointing Panel be approved and Alan Reiss be appointed as Director of Policy, Strategy and Communications, subject to receipt of satisfactory references.

40. Legal Claim in Respect of Combined Authority Loans

The Combined Authority considered a report of the Director of Resources on a legal claim in respect of Combined Authority loans.

The report provided information on the legal claim issued against Barclays Bank PLC (Barclays) in respect of loans held by the Combined Authority and the 2006 regulatory findings made against Barclays on the manipulation of LIBOR (London Inter-bank Offered Rate).

A summary of the current position was provided in exempt Appendix 1 to the submitted report and consideration was given to entering into a retainer with Hausfeld LLP (Hausfeld) for legal representation including the provision of legal and expert advice on the merits of the Combined Authority's claim.

A progress report will be brought to the next meeting.

Resolved: That Hausfeld be instructed to provide legal representation to the Combined Authority including detailed advice on the merits of the Combined Authority's claim.

41. Minutes for Information

(a) Draft Minutes of the West Yorkshire and York Investment Committee held on 4 July 2018

Resolved: That the draft minutes of the West Yorkshire and York Investment Committee held on 4 July 2018 be noted.

(b) Draft Minutes of the Transport Committee held on 6 July 2018

Resolved: That the draft minutes of the Transport Committee held on 6 July 2018 be noted.