

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE
HELD ON WEDNESDAY, 5 SEPTEMBER 2018 AT COMMITTEE ROOM
A, WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

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| Councillor Peter Box CBE (Chair) | Wakefield Council |
| Roger Marsh OBE (Deputy Chair) | Leeds City Region Enterprise Partnership |
| Councillor Barry Collins | Calderdale Council |
| 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:

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| Councillor Eric Firth | Deputy Chair, Transport Committee (to minute 18) |
| Peggy Haywood | Ministry of Housing, Communities and Local Government (minute 18 only) |
| Melanie Corcoran | West Yorkshire Combined Authority (to minute 18) |
| Angela Taylor | West Yorkshire Combined Authority |
| Kate Thompson | West Yorkshire Combined Authority (to minute 17) |
| Jacqui Boulton | West Yorkshire Combined Authority (to minute 17) |
| Patrick Bowes | West Yorkshire Combined Authority (minute 18 only) |
| James Brass | West Yorkshire Combined Authority (to minute 17) |
| Emma Longbottom | West Yorkshire Combined Authority (to minute 17) |
| Andrew Norman | West Yorkshire Combined Authority (to minute 17) |
| Heather Waddington | West Yorkshire Combined Authority (minute 18 only) |
| Jacqui Warren | West Yorkshire Combined Authority (minute 18 only) |
| Ruth Chaplin | West Yorkshire Combined Authority |

11. Apologies for Absence

There were no apologies for absence.

12. Declarations of Disclosable Pecuniary Interests

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

13. 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 Appendices 1 and 2 to Agenda Item 8 and Appendices 1 to 9 to Agenda Item 9 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.

14. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 4 July 2018

Resolved: That the minutes of the West Yorkshire & York Investment Committee held on 4 July 2018 be approved and signed by the Chair.

15. Governance Arrangements

The Committee considered a report and an addendum which sought changes to the governance arrangements in respect of the Business Investment Panel.

Resolved:

- (i) That Simon Wright be appointed as Deputy Chair of the Business Investment Panel.
- (ii) That it be noted that Roger Marsh has stepped down from the Business Investment Panel.
- (iii) That in order to secure the appointment of local authority (including Combined Authority) and private sector representatives in equal numbers to the Business Investment Panel, the Committee agrees that:
 - (a) No nominations for an appointment to the Panel are now required from Calderdale Council, Kirklees Council or Leeds City Council (reducing the total number of local authority members to six).
 - (b) An additional private sector member be appointed to the Panel (increasing the total number of private sector representatives to six), and that the appointment of this additional member be delegated to the Head of Legal and Governance Services in consultation with the Chair of the Business Investment Panel and the Combined Authority's LEP Member.
 - (c) The quorum for the Business Investment Panel be changed to 4 voting members to include 2 members of the Combined Authority or other local authority and 2 private sector representatives.

16. Capital Programme Update

The Committee considered a report on progress made on the implementation of the West Yorkshire Combined Authority's capital programme.

A summary of the capital programme 2018/19 including the outturn forecast was provided in Table 1 and details of expenditure on the Growth Deal programme in quarter 1 of 2018/19 in Table 2. The Growth Deal dashboards were attached at Appendices 1 and 2.

It was reported that as part of the Growth Deal agreement, each Local Enterprise Partnership had to agree 'impact sites' where the Growth Deal investment would be assessed through modelling and evaluation. Members considered a draft discussion paper which was attached at Appendix 3. This set out a proposal for identification of impact sites and how impacts can be captured and it was noted that this had been submitted to the Cities and Local Growth Unit (CLog) and a response was awaited. It was requested that the draft paper be circulated to the Leaders of the partner councils.

In respect of programme level risk, it was noted that failure to achieve the agreed Growth Deal expenditure target could result in the introduction of key performance indicators and possibly a loss of grant to the programme. The Committee discussed the risks currently identified which could impact on the achievement of the target and considered a number of contingencies which could be implemented to mitigate against realisation of the risks. Members asked that they be kept informed of progress.

Resolved:

- (i) That the progress made in implementing the Combined Authority Capital Programme be noted.
- (ii) That the current risk in relation to underspend on the Growth Deal programme and the proposed measures to mitigate against this be noted.
- (iii) That the proposals on Impact Sites detailed in Appendix 3 of the submitted report be noted and circulated to the Leaders of the partner councils.

17. Capital Spending and 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 Fund at stages 1, 2 and 3 of the Combined Authority's assurance process.

Members discussed the proposals for the progress of the following seven schemes which were detailed in the submitted report:

- Warm Homes Fund round 2a
- Calderdale multi-modal transport model
- Superfast Broadband West Yorkshire and York – Contract 3
- Corridor Improvement Programme Phase 1 – A62 Smart Corridor
- Glasshoughton southern link road
- Leeds New Station Street improvements
- Skills [re-boot] project

In respect of Warm Homes Fund round 2a, members asked for information to be provided on fuel poverty across the region.

The Committee discussed the Superfast Broadband West Yorkshire and York – Contract 3 scheme. It was reported that there were some areas on the outskirts of York where the scheme had still not been delivered. Members stressed that superfast broadband should be available in all areas including those hard to reach and this would be brought to the attention of the Programme Board. The provision of free wifi in town and city centres was also discussed and a report would be prepared for a future meeting.

In addition, the progression of the following schemes was noted:

- The Combined Authority's Managing Director had approved decision point 5 for the intranet and digital workplace project to enter into activity 6 (delivery).
- The head office accommodation project had been approved by the Combined Authority on 28 June 2018 to proceed through decision point 3 and work commence on activity 4.
- The Leeds City Region Employment Hub scheme was approved by the Combined Authority on 2 August 2018 to commence work on activity 5 with full approval to spend granted if the scheme is successful in securing European Social Fund funding, through delegation to the Combined Authority's Managing Director.

The Committee was also provided with decisions made through delegation to the Combined Authority's Managing Director since the last meeting in respect of:

- Rail Park & Ride Programme phase1 – Hebden Bridge – change request
- New integrated Combined Authority website ('Web3' transformation project)
- Door to door transport digital hub
- Energy Accelerator scheme

Summaries of the schemes' business cases were attached as Appendices 2 – 11 of the submitted report.

Resolved:

- (i) In respect of Warm Homes Fund round 2a, subject to a successful Warm Homes Fund bid, the Investment Committee recommends to the

Combined Authority:

- (a) That the Warm Homes Fund phase 2a proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval is given to the total project value of £4.688 million and the Combined Authority funding contribution of £3.451 million 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 local authority partners, social housing providers and match with private sector match funding on a case by case basis.
 - (c) That future approvals 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.
- (ii) In respect of Calderdale multi-modal transport model, the Investment Committee recommends to the Combined Authority:
- (a) That the Calderdale multi-modal model project proceeds through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs.).
 - (b) That an indicative approval is given to the West Yorkshire Combined Authority's contribution of £389,000 (which will be funded through £64,000 from the West Yorkshire plus Transport Fund and £325,000 from the other Transport Fund projects which are already approved) is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total project value is £629,000.
 - (c) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to West Yorkshire Combined Authority's Managing Director following a recommendation by West Yorkshire 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 Superfast Broadband West Yorkshire and York – Contract 3, the Investment Committee recommends to the Combined Authority:
- (a) That the superfast broadband contract 3 project proceeds through decision point 2 (case paper) and work commences on

activity 5 (full business case with finalised costs).

- (b) That an indicative approval is given to the total project value of £16.428 million from the funding sources outlined in this report for which the Combined Authority is the accountable body is given, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (c) That approval is given to reallocate all or part of the BET Refund funding from Contract 2 to Contract 3 as actioned at decision point 5 full business case with costs.
 - (d) That development costs of £120,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs).
- (iv) In respect of the Corridor Improvement Programme – A62 Smart corridor, the Investment Committee recommends to the Combined Authority:
 - (a) That the A62 Smart Corridor Phase 1 project proceeds through decision point 3 and work commences on activity 4 (full business case).
 - (b) That an indicative approval is given to the total project value of £8.756 million and the Combined Authority contribution (from the West Yorkshire plus Transport Fund) of £7.906 million (£406,000 increase from approved expression of interest scheme total) 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 £850,000 of ESIF funding yet to be confirmed.
 - (c) That development costs of £605,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), and that the Combined Authority issue an addendum to the existing funding agreement with Kirklees Council for expenditure of up to £605,000 from the West Yorkshire plus Transport Fund taking the total approval to £855,000.
 - (d) 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.
- (v) In respect of Glasshoughton southern link road, the Investment Committee recommends to the Combined Authority:

- (a) That the Glasshoughton southern link road project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval to the total project value of £7.320 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (c) That development costs of £245,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £978,000.
 - (d) That the Combined Authority enters into an addendum to the existing funding agreement with Wakefield Council for additional expenditure of up to £245,000 from the West Yorkshire plus Transport Fund. This takes the total funding agreement amount to £978,000.
 - (e) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal.
- (vi) In respect of Leeds New Station Street improvements the Investment Committee recommends to the Combined Authority's Managing Director:
- (a) That the Leeds Station Gateway - New Station Street improvements proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval to the total project value of £2.120 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).
 - (c) That development costs of £563,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) from the West Yorkshire plus Transport Fund taking the total approval to £729,000.
 - (d) That the Combined Authority enters into a fixed price implementation agreement with Network Rail for future expenditure up to £1.596 million which will release funds of £563,000 to progress to decision point 5, with a break clause which enables the agreement to be terminated if required.
 - (e) That future approvals are made in accordance with the approval

pathway and approval route set out in the submitted report, to include at decision point 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.

- (vii) In respect of the skills and employment [re-boot] project, the Investment Committee recommends to the Combined Authority's Managing Director, subject to an award of European Social Fund:
- (a) That the [re]boot project proceeds through decision point 5 and work commences on activity 6 (delivery).
 - (b) That an 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). The remainder will be funded by the private sector and Leeds Trinity University.
 - (c) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 6 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.

18. Leeds City College Quarry Hill Project update

The Committee considered a report which provided an update on the Leeds City College, Quarry Hill project.

Members noted the current status of the project and considered the following, subject to the conditions outlined in the exempt Appendix 1:

- The proposal to release the remaining grant balance (less retention).
- The approval for the College to drawdown against the previously approved loan facility for a loan of up to £6.5 million.
- The lifting of the Combined Authority's restriction on the Technology Campus.

An update on the project and the financial implications was provided in exempt Appendices 1 and 2. The indicative drawdown and repayment schedule for the £6.5 million loan facility was outlined in Appendix 2.

Resolved:

- (i) That the update on the current status of the Leeds City College Quarry Hill skills capital project be noted.
- (ii) The Investment Committee recommends delegation to the Combined Authority's Managing Director:

- (a) That the remaining grant balance (less retention) is released, subject to the conditions outlined in paragraph 8 of exempt Appendix 1.
- (b) That approval be given for the College to drawdown against the previously approved loan facility for a loan of up to £6.5 million, subject to the conditions outlined in paragraph 10 of exempt Appendix 1.
- (c) That the Combined Authority's restriction on the Technology Campus be lifted, subject to the conditions outlined in paragraph 8 of exempt Appendix 1.

19. European Structural and Investment Funds (ESIF) - Sustainable Urban Development (SUD)

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

Members considered the advice contained within each of the eight assessments for the outline applications which had been received following the Call and discussed the suggested prioritised project list. The Committee agreed the advice and the respective conditions together with the recommended list for selection by the Combined Authority, as Intermediate Body, which would be considered at its next meeting to be held on 11 October 2018.

Resolved: That the Investment Committee recommend to the Combined Authority 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.

20. Minutes of the Business Investment Panel held on 12 June 2018

Resolved: That the minutes of the Business Investment Panel held on 12 June 2018 be noted.

21. Draft Minutes of the Business Investment Panel held on 9 August 2018

Resolved: That the draft minutes of the Business Investment Panel held on 9 August 2018 be noted.