

**MEETING OF THE WEST YORKSHIRE COMBINED AUTHORITY
TO BE HELD ON THURSDAY 6 APRIL 2017 (11.00 am)
AT WELLINGTON HOUSE, LEEDS**

A G E N D A

- 1. APOLOGIES FOR ABSENCE**
 - 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
 - 3. EXCLUSION OF THE PRESS AND PUBLIC**
 - 4. MINUTES OF THE MEETING HELD ON 2 FEBRUARY 2017**
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For Decision

- 5. CAPITAL SPENDING AND PROJECT APPROVALS**
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- 6. INCLUSIVE INDUSTRIAL STRATEGY**
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(Member lead: Cllr T Swift, Author: Rob Norreys)
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(Member lead: Roger Marsh, Author: Rob Norreys)
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- 12. BETTER SKILLS OUTCOMES - DELIVERY AGREEMENTS WITH WEST YORKSHIRE COLLEGES**
(Member lead: Cllr S Hinchcliffe, Author: Sue Cooke)
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- 13. EUROPEAN STRUCTURAL & INVESTMENT FUNDS (ESIF) SUSTAINABLE URBAN DEVELOPMENT (SUD) UPDATE**
(Member lead: Cllr S Hinchcliffe, Author: Rob Norreys)
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- 14. INTEGRATED TRANSPORT BLOCK PROGRAMME**
(Member lead: Cllr K Wakefield, Author: Rob Norreys)
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- 15. GOVERNANCE ARRANGEMENTS**
(Member lead: Cllr P Box, Author: Caroline Allen)
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For Information

- 16. TRANSPORT FOR THE NORTH**
(Member lead: Cllr K Wakefield, Author: Rob Norreys)
(pages 150 - 153)

Signed:



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**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON THURSDAY 2 FEBRUARY 2017 AT WELLINGTON HOUSE, LEEDS**

Present:	CLlr Peter Box (Chair)	-	Wakefield MDC
	CLlr Tim Swift (Vice Chair)	-	Calderdale MBC
	CLlr Susan Hinchcliffe	-	City of Bradford MDC
	CLlr David Sheard	-	Kirklees Council
	CLlr Judith Blake	-	Leeds City Council
	CLlr Keith Aspden	-	City of York Council
	CLlr Simon Cooke	-	Conservative Representative (City of Bradford MDC)
	CLlr Jeanette Sunderland	-	Liberal Democrat Representative (City of Bradford MDC)
	Roger Marsh	-	Leeds City Region LEP
	In attendance:	CLlr Keith Wakefield	-
Ben Still		-	WYCA
Caroline Allen		-	WYCA
Ruth Chaplin		-	WYCA

77. Chair's Comments

The Chair announced that this was the last meeting for Joanne Roney, Chief Executive of Wakefield MDC who had been appointed as the Chief Executive of Manchester City Council and also for Adrian Lythgo, Chief Executive of Kirklees Council who was retiring. Members passed on their best wishes and thanked them for their hard work for WYCA and their respective District Councils.

78. Apologies for Absence

Apologies for absence were received from Councillor Andrew Carter.

79. Declarations of Disclosable Pecuniary Interests

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

80. Exempt Information – Possible Exclusion of the Press and Public

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

81. Minutes of the Meeting held on 1 December 2016

Resolved: That the minutes of the meeting of WYCA held on 1 December 2016 be approved and signed by the Chair.

82. Devolution

The Authority considered a report of the Director of Policy, Strategy & Communications which provided an update on progress made in securing a second stage devolution deal for Leeds City Region (LCR), which is seeking to build on the first stage deal agreed with Government in spring 2015.

It was reported that no formal response had been received from Government on the Leeds City Region proposal submitted by WYCA in September 2015. However discussions had continued and Andrew Percy MP, the Minister for the Northern Powerhouse had met with West Yorkshire Leaders and the Chair, LCR Enterprise Partnership in December 2016.

Members expressed their desire to secure a devolution deal and discussed the ongoing challenges, recognising that other options, based on a larger geography, should be explored. They emphasised the need for clarity about, and understanding of, the policy options for securing a devolution deal and highlighted the importance of engaging with Government and consulting with businesses and communities. It was proposed to hold discussions with Authorities across the region to explore the most appropriate options.

Resolved:

- (i) That the ongoing challenges related to securing Government agreement to a transformative mayoral devolution deal for Leeds City Region be noted.
- (ii) That a formal response be requested from Government on the proposal for a Leeds City Region deal which was submitted to HM Treasury in September 2015, and seek to agree a way forward.
- (iii) That other policy options that could secure transformative devolution to Leeds City Region, and deliver the best deal for Yorkshire be explored including possible geographic footprints and related governance arrangements such as a model based on a single Mayor with multiple Combined Authorities representing the distinct functional economic market areas of any larger area.

- (iv) That discussions with Authorities across the region, and a wider community conversation, to explore the most appropriate options be supported.

83. East Coast Main Line Priorities

The Authority considered a report of the Director of Policy, Strategy & Communications on the proposed priorities for services and infrastructure on the East Coast Main Line (ECML).

Members noted the six proposed priorities detailed in the submitted report which were to be pursued working with Transport for the North, HS2, Network Rail, the wider rail industry and Government. It was noted that the priorities were in line with and built on those of the Consortium of East Coast Main Line Authorities. The Transport Committee had endorsed the proposed priorities at their meeting on 9 December 2016 and members asked that their thanks be passed to Councillor Keith Wakefield, Chair of the Transport Committee and Councillor Eric Firth who represented WYCA on the Consortium of East Coast Main Line Authorities (ECMA) for their work.

It was reported that the ECMA had undertaken some communications activity but it was suggested that the Leeds City Region LEP, working with other LEPs and the Scottish Government, play a greater advocacy role in voicing the need for ongoing investment in the ECML.

Resolved:

- (i) That the East Coast Main Line priorities endorsed by the Transport Committee and outlined in the submitted report be agreed.
- (ii) That the proposal for the Leeds City Region LEP, working with other LEPs and the Scottish Government, to play a greater advocacy role in voicing the need for ongoing investment in the ECML be noted.

84. Industrial Strategy

The Authority considered a report of the Director of Policy, Strategy & Communications on the Government's Modern Industrial Strategy Green Paper which had been published on 23 January 2017.

Members noted the key issues outlined in the report which also provided information about particular challenges in the Leeds City Region (LCR). They welcomed the Green Paper as it would provide an opportunity to highlight the needs of the Leeds City Region including the importance of education and skills to promote good growth in the response.

It was reported that the LEP Board had provided initial views at their meeting held on 24 January 2017 and it was proposed that WYCA/LEP co-ordinate a full draft city

region wide response to the Government's consultation. It was considered that Government and West Yorkshire MPs should be lobbied to ensure they are fully aware of the aims and ambition of the LCR. Discussions would be held with local authorities and partners to establish and develop the city region response for submission by 17 April 2017. This, together with further detail about how an inclusive strategy might mean better outcomes for businesses and residents, particularly the most deprived, would be considered by WYCA at its meeting to be held on 6 April 2017.

Resolved:

- (i) That publication of Government's Modern Industrial Strategy green paper be noted.
- (ii) That WYCA agrees with the proposed outline response, particularly to work through the LEP Network and other structures to make the funding announced in the Autumn Statement an opportunity to deliver the Heseltine Review through stronger local decision-making over a single pot. Further, this response will reiterate that a step-change improvement in outcomes depends on ambitious devolved powers.
- (iii) That the draft response be considered at the next meeting.
- (iv) That the likely requirements for further resources and cross city-region activity to fully exploit the potential for an inclusive industrial strategy with ambitious devolved powers be noted.

85. WYCA Corporate Plan and Budget 2017/18

The Authority considered a report of the Director of Resources which:

- set out the outline corporate plan for the West Yorkshire Combined Authority for 2017/18 and its strategic aims on behalf of local people;
- sought approval to the proposed revenue budget and transport levy for 2017/18, the indicative capital programme and the treasury management statement.

Corporate Plan 2017/18

It was reported that the Corporate Plan was in the process of being developed. It was proposed that this would follow a similar format to the previous year, showing achievements to date and setting out the targets and measures. A high level summary of the draft targets for 2017/18 was attached at Appendix A and the final full version of the corporate plan would be brought to a future meeting.

Revenue Budget 2017/18

Members considered the revenue budget and transport levy for 2017/18.

It was proposed that the transport levy applied for revenue purposes of £95m be cut by £1m. This would require cuts of £2m in expenditure due to pressures on the budget and timing delays in the receipt of income from business rates on the Leeds Aire Valley Enterprise Zone. The challenges in setting a balanced budget in future years given the increase in demand for services and the reductions in local government funding were noted. The net and gross levy by population showing the effect of the decrease was set out in Table 3 of the submitted report together with the rebates due to each District. The District Councils would be notified of the transport levy by mid-February and would make payments in ten monthly instalments to WYCA from 1 April 2017.

Capital Programme 2016/17 and 2017/18

WYCA noted the capital programme for 2017/18 and subsequent years and the indicative capital programme which were outlined in the submitted report.

It was reported that the Investment Committee had considered the individual projects within the West Yorkshire plus Transport Fund (WY+TF) and would continue to be a key part of the process whereby Growth Deal and other projects are considered and recommended for progression. It was proposed that the arrangements for the Transport Committee to approve Integrated Block funded projects up to a value of £3m be continued for 2017/18.

Treasury Management

Members noted the annual Prudential Statement which was attached at Appendix B. This set out the treasury management activity in the year and the prudential indicators resulting from the indicative capital programme.

It was noted that further work will continue into the early part of 2017/18 to ensure the budgets are being maximised and used most effectively to deliver the organisational priorities.

Resolved:

- (i) That the approach to the corporate plan for 2017/18 be endorsed.
- (ii) That the revised budget for 2016/17 and the proposed budget for 2017/18 for WYCA be approved.
- (iii) That the indicative capital programme for 2017/18 – 2019/20 be approved.

- (iv) That the Transport Committee be delegated to approve individual schemes within the integrated transport block of the 2017/18 capital programme up to a maximum cost of £3m.
- (v) That in accordance with the powers contained in the Local Government Finance Act 1988 (as amended) and by virtue of article 9(6) of the West Yorkshire Combined Authority Order and the Transport Levying Bodies Regulations 2015 (as amended) a levy of £106m be determined for the year ended 31 March 2018.
- (vi) That the Chief Financial Officer be authorised to issue the levy letter in respect of the financial year ending 31 March 2018 to the five District Councils in West Yorkshire.
- (vii) That a payment of £5.099m be made to the District Councils in accordance with table 3 of the report.
- (viii) That the Chief Financial officer be authorised to arrange appropriate funding for all expenditure in 2016/17 and 2017/18 subject to statutory limitation, including the most appropriate application of capital funding as set out in the report.
- (ix) That the adoption of the CIPFA Code of Practice for Treasury Management in Public Services be reaffirmed.
- (x) That the treasury management policy as set out in Appendix B be approved.
- (xi) That the prudential limits for the next three years as set out in Appendix B be adopted.

86. LCR Assurance Framework

The Authority considered a report of the Director of Delivery which provided an update on progress relating to changes proposed to the Leeds City Region Assurance Framework arising from its annual review, and with the recently issued "LEP National Assurance Framework".

Members considered the current draft of the document which was attached to the submitted report and discussed the substantive changes from the previous document and the scope of the framework.

It was reported that the LEP Board had considered the draft document at its last meeting and given the deadline for submission of the final document, had agreed that the LEP Board Chair could approve the final version on its behalf. In addition, the Overview & Scrutiny Committee's SEP Delivery Working Group had been involved and challenged the development of the Assurance Framework and were content with the process at this stage. The document was to be submitted to HM

Government by 28 February 2017 and an Action Plan would accompany the document setting out how the Assurance Framework will be implemented and evolve over the coming year. The SEP Delivery Working Group would continue with its scrutiny as it is a 'live' document and the Overview & Scrutiny Committee would monitor its implementation through the Action Plan. The Authority authorised WYCA's Managing Director to finalise the content of the Assurance Framework in consultation with the Chair of the Authority and the Chair of the LEP Board and to make further changes as appropriate and to update WYCA and the LEP Board on an annual basis.

Resolved:

- (i) That the draft Assurance Framework be approved
- (ii) That WYCA's Managing Director be authorised to finalise the content of the Assurance Framework in consultation with the Chair of the Authority and the Chair of the LEP Board and to submit the document to Government by 28 February 2017.
- (iii) That it be noted that further changes and updates to the Assurance Framework are anticipated during the year and WYCA's Managing Director be authorised to make such further changes as appropriate and to update the Authority and the LEP Board on an annual basis.

87. Capital Spending and Project Approvals

The Authority considered a report of the Director of Delivery which sought approval for the progression of and funding for schemes from the West Yorkshire Plus Transport Fund and Local Growth Fund.

The report provided details of the projects which had been considered by the Investment Committee on 4 January 2017 and were recommended to WYCA for progression and approval of funding. The report mapped each of the projects across to the assurance process.

Resolved:

- (i) That the funding for the **Parking Extensions and Rail Stations** proposals is accepted into the portfolio (ie. satisfies Activity 1) and that funding of £138,000 to carry out the pre-feasibility work be approved. The project will be funded from the West Yorkshire Plus Transport Fund.
- (ii) That **Project Beta** be accepted into the pipeline and continues to Activity 4 (full business case).

- (iii) That funding of £5.556m for the **Wakefield Kirkgate** scheme to progress through Decision Point 5 (final cost approval) to Activity 6 (delivery of preferred solution) be approved.
- (iv) That it be noted that the Investment Committee has delegated the final details of the individual approvals to WYCA's Managing Director for the progression of, and funding for, the following schemes from the West Yorkshire Plus Transport Fund (WY+TF):-
 - grant funding of £286k is approved for the **Leeds A6110 Outer Ring Road Improvements** to fund project development through to Activity 3 (outline business case);
 - funding of £140k is approved for the **A629 Halifax to Huddersfield Corridor Improvements** to fund the baseline monitoring and evaluation activity, enabling the first delivery phase (Phase 1a) to progress through the Assurance process;
 - funding of £670k is approved for the **South Elmsall Rail Station Car Park Extension** to progress through Decision Point 5 (final cost approval) to Activity 6 (delivery of preferred solution);
 - **Rail Car Park Extensions at Hebden Bridge, Mytholmroyd, Shipley, Steeton and Silsden, Fitzwilliam, Mirfield and Normanton** be progressed through Decision Point 5 (final cost approval) to Activity 6 (delivery of preferred solution), subject to the current approved projects costs as set out in the report not increasing by more than 10%.

88. Leeds City Region Housing Policy Position Statement

The Authority considered a report for information of the Director of Policy, Strategy & Communications on the draft Leeds City Region Housing Policy Position Statement developed by the City Region Land and Assets Board, which is intended to update existing WYCA and Leeds City Region Enterprise Partnership (LEP) housing policy as currently set out in the 2014 Leeds City Region Housing and Regeneration Strategy.

It was noted that a White Paper on housing was due to be published in March 2017 but it was not expected that any major changes would be required to the Policy Position Statement. Members discussed the challenges of delivering the housing strategy and it was noted that this would be discussed further by the Leaders and a report prepared for consideration at the next meeting of WYCA.

Resolved:

- (i) That the draft Leeds City Region Housing Policy Position Statement be updated in light of the forthcoming Government statements on housing, and

in consideration of linkages to the parallel work underway on inclusive growth.

- (ii) That the refreshed evidence base summarised in Appendix 1 to the submitted report be noted.
- (iii) That the draft Leeds City Region Housing Policy Position Statement be considered in more detail at the next meeting.

89. Draft Minutes of the meeting of the Governance & Audit Committee held on 1 December 2016

Resolved: That the draft minutes of the meeting of the Governance & Audit Committee held on 1 December 2016 be noted.

90. Minutes of the meeting of the Overview & Scrutiny Committee held on 7 December 2016

Resolved: That the minutes of the meeting of the Overview & Scrutiny Committee held on 7 December 2016 be noted.

91. Draft Minutes of the meeting of the Transport Committee held on 9 December 2016

Resolved: That the draft minutes of the meeting of the Transport Committee held on 9 December 2016 be noted.

92. Draft Minutes of the meeting of the West Yorkshire & York Investment Committee held on 4 January 2017

Resolved: That the draft minutes of the meeting of the West Yorkshire & York Investment Committee held on 4 January 2017 be noted.

Director: Melanie Corcoran,
Director, Delivery
Author: Craig Taylor



ITEM 5

Report to: Combined Authority

Date: 6 April 2017

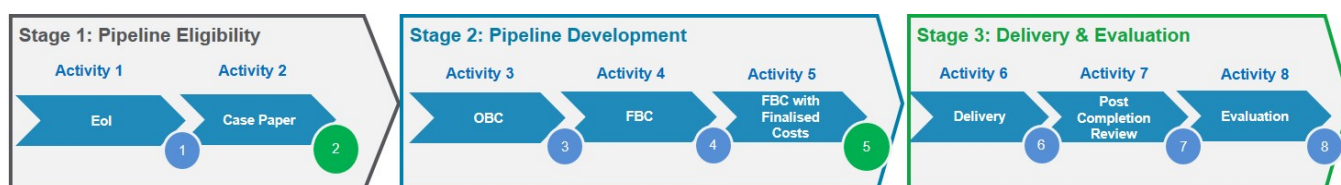
Subject: Capital Spending and Project Approvals

1. Purpose

- 1.1. To approve the progression of and funding for schemes from the West Yorkshire Plus Transport Fund (WY+TF) and Local Growth Deal projects.

2. Information

- 2.1 This report puts forward proposals for the progression of, and funding for, a number of WY+TF and Growth Deal projects 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.

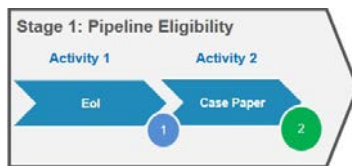


- 2.2 The Programme Appraisal Team (PAT) appraises all schemes at the decision points. The PAT consists of a panel of officers representing policy, legal, financial, assurance and delivery supplemented with external experts. The scheme promoters from the District Councils or Partner Delivery organisations attend the meeting to introduce the scheme and answer questions from the panel. The Terms of Reference for the PAT are contained within the recently updated Assurance Framework.

- 2.3 In accordance with the recently updated Assurance Framework, an overview of all scheme business cases are published on the WYCA website.

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.



A629 Halifax to Huddersfield Corridor Phase 5 – Case Paper (Activity 2)

- 3.2 Improvements along the A629 corridor between Halifax and Huddersfield is one of the priority schemes programmed to be implemented as part of the Transport Fund programme. Corridor improvements under the Transport Fund will see a £120.6m transport package comprising multi-modal interventions which will improve journey time reliability. The scheme will be delivered in a number of phases over the next five years, providing strong strategic support for Priority 4 – Infrastructure for Growth and will contribute to the SEP objectives of this priority in supporting the building of 10,000 to 13,000 new homes per year and deliver improved movement between towns and cities and through high quality transport and wider infrastructure.
- 3.3 The A629 interventions are being delivered jointly by Kirklees Council and Calderdale Council and has been split into phases to manage on site delivery and traffic management during construction phases. This funding request relates to the Phase 5 section being led by Kirklees Council and covers the section between Huddersfield Ring Road and Ainley Top roundabout.

Recommendation

- 3.4 That WYCA approves funding of £202k for the A629 Halifax to Huddersfield Corridor Phase 5 scheme to progress through Decision Point 2 to Activity 3 (Outline Business Case). That the Approval Pathway be amended so that the scheme returns to the PAT, Investment Committee and Combined Authority at Decision Point 3 to request further development costs and land acquisition costs. The project will be funded from the WY+TF.

Enterprise Zone Phase 2 (Part 2 Feasibility) – Case Paper (Activity 2)

- 3.5 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 EZ Programme supports the 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. Further information is at Item 12 – LCR Enterprise Zone Programme.

- 3.6 This feasibility forms part of a larger programme within the Growth Deal 3 submission at a strategic level. The full LCR EZs programme (10 sites) will be brought to Investment Committee and WYCA in June 2017 for consideration. However, the release of this funding ahead of the programme allows scheme progression in terms of feasibility works at Staithegate Lane (Bradford), Parry Lane (Bradford), Lindley Moor East (Kirklees) and Langthwaite Business Park Extension (Wakefield), Phase 2 – Part 2 of the scheme.
- 3.7 This package of feasibility and master planning requires funding of £165k contribution from Growth Fund (total cost £270k). The remainder of the balance is derived from a £50k grant contribution from DCLG’s Commercial Support Fund alongside District and landowner contributions of £55k. The capital projects themselves would be funded from Local Growth Fund.

Recommendation

- 3.8 That WYCA approves pre-feasibility funding of £165k for Enterprise Zones Phase 2 Part 2 to enable the procurement of the feasibility work for the 4 identified sites and that confirmation of the match funding and start of procurement be sent to DCLG. That the full programme is brought back to the PAT, Investment Committee and Combined Authority in June 2017 for consideration. The project will be funded from the Local Growth Fund.

The next three schemes have proceeded directly to WYCA ahead of consideration by the Investment Committee due to the time constraints of the funding streams. Business Cases for these schemes are appended to this report.

West Yorkshire Cycling and Walking to Work Fund – Case Paper (Activity 2)

- 3.9 The scheme is a £1.5m DfT grant, which will deliver a range of revenue-funded activities including Cycling and Walking to Work Fund. The aim is to enable, encourage and support individuals and employers in West Yorkshire to take up cycling and walking as ways of accessing existing or new employment and training opportunities. Activities include training provision, employer liaison and provision of small grants for facilities improvements, media campaigns and employee incentive schemes. Activities will be focussed on individuals and employers located in the SEP Priority Areas and adjacent employment and skills clusters as part of a West Yorkshire-wide initiative where cycling and walking are suitable options for travel – with consideration of where these are aligned with high quality walking and cycling infrastructure.

Recommendations

- 3.10 That WYCA approves the spending of the £1.5m West Yorkshire Cycling and Walking to Work DfT grant and that the funding is included in the WYCA budget. That the scheme commences work on Activity 5 (Full Business Case with Finalised Costs)

returning to the PAT for review at Decision Point 5. There is zero tolerance above the £1.5m funding limit.

- 3.11 That WYCA approves the Managing Director to use his delegation at subsequent Decision Points (pathway suggested DP 5(Full Business Case with Finalised Costs), 6 (Delivery) and 8 (Execution)) to accept the Full Business Case and signing all necessary contracts. That the scheme is allowed to twin track the completion of the Full Business Case whilst starting to procure the solution and advertise for FTE posts and that the Acceptance Letter is signed and returned to DfT.

National Productivity Investment Fund (NPIF) - Case Paper (Activity 2)

- 3.12 Following the initial announcement in the Autumn Statement (2016) of a proposed National Productivity Investment Fund (NPIF), the DfT has confirmed that West Yorkshire is to receive £6.925m as part of a national allocation of £185m to be spent in 2017/18 on 'improving local road networks, such as highways and public transport networks'. It is proposed to use NPIF to enable an expanded Local Transport Plan Implementation Plan programme alongside existing funding allocations.
- 3.13 A condition of the grant allocation is that authorities must include information on their website by end of March 2017 providing details of how the funding is to be used in 2017/18. The funding in 2017-18 is made by direct allocations to local Transport/Highways authorities. Future years funding (2018-20) is likely to be subject to competitive bidding process. West Yorkshire Districts and WYCA have agreed an approach to the funding, to use NPIF to enable an expanded Local Transport Plan Implementation Plan programme, alongside:
- Integrated Transport Block funding allocation for 2017/18
 - Highway Maintenance Block funding allocation for 2017/18

Recommendation

- 3.14 The approval sought for the National Productivity Investment Fund (NPIF) scheme is included within Item 14 – Integrated Transport Block Programme – Implementation Plan 3.

Global Shared Services Centre – Case Paper (Activity 2)

- 3.15 The Investment Team have been working hard to secure the Global Shared Service Centre of a FTSE100 company to Leeds. The investor has requested anonymity due to the levels of commercial sensitivity and that a determination on their grant application is made before the end of April. This investment will create 500 new additional jobs to the region and circa 100 new jobs to the UK. The investor has requested a £1,500,000 grant against a £15,000,000 capital expenditure including capitalisation of a 10 year lease which is allowable.
- 3.16 The new GD3 £13.45m Strategic Inward Investment fund will be the source of the grant. The Strategic Inward Investment Fund programme is currently being

developed and the full programme will be brought to Investment Committee on 7th June for a recommendation and WYCA on 29th June for consideration.

- 3.17 The investor wishes to confirm their final investment location during April and make a public announcement in May. Their main Board has delegated the final location decision to a project sub-committee who now await a determination on this grant application.
- 3.18 WYCA is now asked to approve the scheme to proceed through Decision point 2 to Stage 2: Pipeline Development. An Expression of Interest for the scheme has been assessed and has passed the eligibility check, a Case Paper was then produced which has been appraised by a Case Officer and the Programme Appraisal Team (PAT) who have recommended the grant application for Decision Point 2 approval by WYCA. Once the scheme has progressed to Stage 2 it is proposed it will complete Decision Points 4 (Full Business Case) and Decision Point 5 (Full Business Case with finalised costs and grant agreement).
- 3.19 Due to the need for expediency, the investor has already submitted a full grant application to WYCA The business case is currently been appraised and independent State Aid advice will be sought. The LCR Investment Panel will consider the full application using the existing Business Growth Programme appraisal process and make their recommendation. To meet the investors' expectations and for expediency purposes we request that the WYCA delegates the final decision on the determination of this grant to the MD of WYCA pending a recommendation from the Investment Panel.

Recommendations

- 3.20 That WYCA approves that the scheme, Project Primrose, progresses through Decision Point 2 into Stage 2: Pipeline Development. That the future assurance pathway for the scheme requires the scheme to be considered again at Decision Point 4 and 5. At these Decision Points, WYCA is asked to delegate approval to proceed through both these Decision Points to the Managing Director following a recommendation from LCR Investment Panel.

The following has proceeded directly to WYCA ahead of consideration by the Investment Committee due to the time constraints of the funding stream. Please note that this funding stream is Revenue for strategy development and therefore a Business Cases is not required.

Leeds City Region HS2 Growth Strategy Phase 2

- 3.21 In the 2016 Budget, Government announced they were making available funding to those cities with a HS2 station to develop a growth strategy to set out how they intended to maximise the arrival of HS2.
- 3.22 The LCR HS2 Growth Strategy sits firmly within the City Region policy framework and as such is clearly linked to the Strategic Economic Plan 2016 – 2036 vision and wider

strategic framework and investment priorities and also complements the West Yorkshire Transport Strategy.

- 3.23 The LCR HS2 Growth Strategy will consider how interventions delivered alongside HS2 in Leeds and the wider City Region could spread the benefits of HS2 across the city region, as well as a focused look at growth in the area around Leeds station (e.g. South Bank, and City Square areas). The economic workstream forms the central element of the strategy.
- 3.24 WYCA and LCC secured the first phase of funding of £625K from DCLG in 2016 to develop the LCR HS2 Growth Strategy. This funding was approved by Combined Authority in July 2016. Phase 1 of the LCR HS2 Growth Strategy Programme has now been commissioned with a series of workstreams and consultants commencing work.
- 3.25 The second phase of the LCR HS2 Growth Strategy has now been endorsed by DCLG and DfT. Phase 2 will have a major focus on how connectivity can support economic growth as a result of HS2. The purpose of this workstream will be to establish the major local connectivity priorities which are required to enable and maximise growth associated with HS2.
- 3.26 Following a successful submission, WYCA has now received a Grant Determination Letter for £625K to fund Phase 2 and it will be the accountable authority for the grant. It is intended that the grant will fund further advisor input, Leeds City Council input and some additional studies for related Transport Fund schemes.
- 3.27 The LCR HS2 Growth Strategy is due to be submitted to Government in September 2017. In order to meet these timescales it is necessary to engage advisors on Phase 2 during April to enable integration with existing submissions. Therefore it is necessary to seek an approval from Combined Authority to spend the Phase 2 grant of £625k at this meeting.
- 3.28 The short timescales have meant that this item has not been considered by the Investment Committee. Notification of the grant offer was considered by WYCA's Programme Appraisal Team on 24th of April who have recommended that approval to spend is granted.

Recommendation

- 3.29 That WYCA approves spend of £625K for the Leeds City Region HS2 Growth Strategy Phase 2. This will be funded entirely from the DfT grant received by WYCA on 21st March 2017.

The following has proceeded directly to WYCA ahead of consideration by the Investment Committee due to the time constraints of the funding stream. Please note that this funding stream is for development of an Expression of Interest and therefore publication of a Business Cases is not required at this stage.

Steeton and Silsden Active Travel Access

- 3.30 The proposed scheme aims to improve active travel access between Steeton and Silsden enabling crossing of the A629 dual carriageway. Bradford MBC has long held ambitions to implement such a scheme, but has required funding support to undertake the necessary feasibility and design works. Following significant local and political lobbying the DfT have made an offer of funding of up to £700K to fund the development work on the proposed scheme.
- 3.31 DfT expect the funding to be used to enable Bradford Council to develop the business case for the scheme, working in conjunction with WYCA. If the business case is strong then further funding would be required to deliver the construction phase of the scheme. This funding source has not been identified yet. The DfT require that the funding is claimed by WYCA in 2016/17 Financial year. Capital spend approval is now sought for the 700K grant funding.
- 3.32 Notification of the funding offer was received week commencing 20th March and in order to enable Bradford to access the funding, capital approval is now sought. The short timescales have meant that this item has not been considered by the Investment Committee. Notification of the grant offer was considered by WYCA's Programme Appraisal Team on 24th March and recommended that a formal Expression of Interest is submitted for consideration by the PAT and the Investment Committee, submitted by Bradford Council.

Recommendation

- 3.33 That WYCA approves acceptance of the DfT offer of funding of £700K and the spend of this for the Steeton and Silsden Active Travel Access scheme. That an Expression of Interest is submitted for consideration by the PAT and the Investment Committee.

Projects in Stage 2: Pipeline Development



York Outer Ring Road (A1237) – Change Request (OBC) (Activity 3)

- 3.34 In December 2014, WYCA approved a recommendation for the A1237 York Outer Ring Road project to progress through Gateway 1 (now Decision Point 3) and funding of £208k was approved as a contribution to develop the project with City of York Council funding the remainder of the costs. This is a high priority project forecasted to be completed by 2022.
- 3.35 City of York Council is now a full member of the WY+TF, and subject to a signed partnership agreement being in place, the full costs of £2.45m to complete detailed design and full business case (to Decision Point 5) can now be funded from the Growth Deal. A funding approval for an additional £2.24m is now sought from the WY+TF, which includes the previously approved £208k.

Recommendation

- 3.36 That WYCA approves funding of £2.24m for the York Outer Ring Road (A1237) scheme to continue to progress through to Activity 4 (Full Business Case). The project will be funded from the WY+TF.

A629 Halifax to Huddersfield Corridor Phase 1a – FBC (Activity 4)

- 3.37 Improvements along the A629 corridor between Halifax and Huddersfield is one of the priority schemes programmed to be implemented as part of the Transport Fund programme. Corridor improvements under the Transport Fund will see a £120.6m transport package comprising multi-modal interventions which will improve journey time reliability. The scheme will be delivered in a number of phases over the next five years, providing strong strategic support for Priority 4 – Infrastructure for Growth and will contribute to the SEP objectives of this priority in supporting the building of 10,000 to 13,000 new homes per year and deliver improved movement between towns and cities and through high quality transport and wider infrastructure.
- 3.38 Phase 1a is the most progressed of all phases along the corridor and is considered as an enabling component to the subsequent Phase 1b works. Phase 1a incorporates the section of the A629 stretching from Jubilee Road in the south to Free School Lane/Skircoat Road in the north. Calderdale Council have undertaken elements of construction works on site at risk to manage and mitigate impact of works on traffic, have secured a number of land acquisitions needed for the delivery of the scheme and undertaken a number of utilities advanced diversions to prepare the site for further construction works. They are now seeking repayment of these costs where the balance of the OBC funding allocation has been exceeded. Further land acquisitions and utility diversions are planned
- 3.39 A funding approval is now sought of £2.2m from the WY+TF to undertake further development works to take the project to Activity 5. This request comprises £1.5m to repay incurred costs at risk and £708k for further development works including final land acquisitions and further utility advanced diversions. Calderdale Council have tendered to secure a contractor partner, all of the bids received are below the full construction cost plan and within tolerances. In reflection of the submitted bids received and the knowledge and confirmation that the maximum budget allocation of £8.5m will not be exceeded and with clarification with Calderdale Council that any cost overruns are to be entirely at their risk, confirmation is now sought that entering into a contract at Activity point 5 is delegated to the Managing Director.

Recommendation

- 3.40 That WYCA approves funding of £2.2m for the A629 Halifax to Huddersfield Corridor Phase 1a scheme to progress the scheme from Activity 4 (Full Business Case) through Activity 5 (Finalise Costs). That subsequent progression at Decision Point 5 to a maximum funding total of £8.5m is approved by delegation to the Managing Director. The project will be funded from the WY+TF.

Leeds District Heat Network - Change Request (Finalising Costs) (Activity 5)

- 3.41 Leeds District Heat Network (LDHN) involves the construction of a new 6.4 kilometre District Heating Network (DHN) using super-insulated steel pipes, to connect the Recycling and Energy Recovery Facility (RERF) in the Aire Valley to customers across the City of Leeds. Heat will be extracted from the turbine in the form of steam which will be used to transfer heat to the DHN via a heat exchanger. Initially the Network will be connected to tenants of Council-owned flats to the north of the city centre. ESIF funding has been secured to convert 22 tower blocks from electric heating to district heating, in order to connect to the spine DHN. The heat provided will result in savings on tenants' fuel bills and reduced greenhouse gas emissions. The network will be commissioned by the applicant, Leeds City Council (LCC) and they will seek other customers for heat across the city.
- 3.42 Following the submission of a Full Business Case (FBC), £7m was approved on 31st March 2016 for the Leeds District Heat Network. The Combined Authority (WYCA) recognised the benefits of the project and delegated the decision on an appropriate funding mechanism to the WYCA Director of Delivery, in consultation with the Chair of the Investment Committee. It was agreed that the funding should be split into a £3m loan and a £4m grant.
- 3.43 Leeds City Council (LCC) has submitted a revised Full Business Case to reflect a number of key changes to the project:
- (i) The Council identified that they will need to pay National Non-Domestic Rates (NDR) of £400k per annum to WYCA for the first 25 years of the Network's operation. This has led to the need to change the delivery model.
 - (ii) The start had been delayed due to the complexity of the procurement, assembly of funding and securing sufficient anchor customers. Originally the project was due to spend £2.4m in 2016/17. At best, the project can now spend £0.2m in 2016/17 subject to approval.
 - (iii) The total project cost has risen from £21m to £25m and the Council has amended LDHN's business model; reducing the forecast level of heat sales to customers.
 - (iv) The number of jobs forecast to be created has risen from 5 to 15 as a result of the monitoring period extending from March 2021 to March 2025.

Proposed change request

- 3.44 In the revised full business case (FBC) the Council seeks a grant of £10m from WYCA. The remaining project costs will be met by a loan from the Public Works Loan Board (PWL) and a new grant request for £4m from the Heat Network Investment Programme (HNIP). LCC make a firm case that the requirement to pay c£12.6m in NDR to WYCA makes the project as it was originally conceived unviable. This argument is supported by the financial model supplied with the FBC.

- 3.45 It should be noted that NNDR is payable due to the location of a proposed new Energy Centre at Leeds Enterprise Zone. The rates are calculated based on not just the size of the Energy Centre, but the whole pipe network. Whilst the proposition of receiving £12.6m in rates looks attractive it should be noted that the timing and level of this funding is uncertain.
- 3.46 It was confirmed that Leeds City Council will guarantee to pay WYCA a minimum of £400,000 each year, once the facility is operational, this will either come through the NNDR payments due from the District Heat Network or from the project's budget.
- 3.47 The revised Full Business Case been independently appraised and considered by the PAT. The appraisal concluded that LDHN is an innovative project with a high risk level in terms of delivery. The project has a vulnerable financial model – costs do not need to rise, or sales fall by more than 10% before it looks difficult for LCC to repay the loan from the PWLB. The Benefit Cost Ratio (BCR) submitted with the FBC shows that the project has weak value for money over a 5 year period, but becomes more attractive when considered over a 10 and 25 year period. The Investment Committee recommended a £10m conditional approval for grant from WYCA.
- 3.48 This requires an additional £3m grant to be allocated to the project. However, there is currently no unallocated funding in Priority 3, therefore it may be necessary to reduce existing pipelines as the Growth Deal is almost fully committed.

Recommendation

- 3.49 That WYCA conditionally approve a grant of £10m to the Leeds District Heat Network subject to the full funding package being secured from other sources and robust evidence regarding anticipated levels of demand being provided to the next meeting of the Investment Committee. The project will be funded from the Local Growth Fund.

Projects in Stage 3 – Delivery & Evaluation



Project Approvals that are being progressed through delegation to the Managing Director

- 3.50 The following projects were reported to Investment Committee on 8 March 2017. Investment Committee recommended their progression and approval of associated funding should be progressed through the delegation to the Managing Director:
- (i) a total cost increase (with no further grant increase) for Leeds City College Quarry Hill and an extension to the programme by 10 months and that assets

from disposal are used to cover the increase in project costs, whilst any remaining surplus would return to the WYCA;

- (ii) to change the £1m loan at 2% interest for Kirklees Housing Project to an interest free loan of £800k and a £200k project development grant to bring Kirklees Housing project in line with the other LGF projects and allow for the claiming of staff time as eligible project development costs.

4. Financial Implications

- 4.1 Funding for the projects A629 Halifax to Huddersfield Corridor Phase 5, Enterprise Zone Phase 2 (Part 2 Feasibility), West Yorkshire Cycling and Walking to Work Fund, National Productivity Investment Fund (NPIF), York Outer Ring Road (A1237), A629 Halifax to Huddersfield Corridor Phase 1a and Leeds District Heat Network from the West Yorkshire Plus Transport Fund and the Local Growth Fund Award for 2016/2017.

5. Legal Implications

- 5.1. The payment of any funding received through the Local Growth Deal to any partner will be subject to a funding agreement being in place between the WYCA and the partner in question.

6. Staffing Implications

- 6.1 For the Cycling and Walking to Work Fund proposal the following recruitment is proposed:
 - CityConnect Cycles activity - 1 x FTE for administration of contract. To be recruited for Fixed Term contract.
 - Bike Friendly Business Scheme activity - 3 x FTE Engagement officers. To be recruited for Fixed Term contract.

All posts to be funded from the Cycling and Walking to Work Fund.

7. Recommendations

- 7.1 That WYCA approves funding of £202k for the A629 Halifax to Huddersfield Corridor Phase 5 scheme to progress through Decision Point 2 to Activity 3 (Outline Business Case). That the Approval Pathway be amended so that the scheme returns to the PAT, Investment Committee and Combined Authority at Decision Point 3 to request further development costs and land acquisition costs. The project will be funded from the WY+TF.
- 7.2 That WYCA approves pre-feasibility funding of £165k for Enterprise Zones Phase 2 Part 2 to enable the procurement of the feasibility work for the 4 identified sites and that confirmation of the match funding and start of procurement be sent to DCLG.

That the full programme is brought back to the PAT, Investment Committee and Combined Authority in June 2017 for consideration. The project will be funded from the Local Growth Fund.

- 7.3 That WYCA approves the spending of the £1.5m West Yorkshire Cycling and Walking to Work DfT grant and that the funding is included in the WYCA budget. That the scheme commences work on Activity 5 (Full Business Case with Finalised Costs) returning to the PAT for review at Decision Point 5. There is zero tolerance above the £1.5m funding limit. That WYCA approves the Managing Director to use his delegation at subsequent Decision Points (pathway suggested DP 5(Full Business Case with Finalised Costs), 6 (Delivery) and 8 (Execution)) to accept the Full Business Case and signing all necessary contracts. That the scheme is allowed to twin track the completion of the Full Business Case whilst starting to procure the solution and advertise for FTE posts and that the Acceptance Letter is signed and returned to DfT.
- 7.4 The approval sought for the National Productivity Investment Fund (NPIF) scheme is included within Item 14 – Integrated Transport Block Programme – Implementation Plan 3.
- 7.5 That WYCA approves that the scheme, Project Primrose, progresses through Decision Point 2 into Stage 2: Pipeline Development. That the future assurance pathway for the scheme requires the scheme to be considered again at Decision Point 4 and 5. At these Decision Points, WYCA is asked to delegate approval to proceed through both these Decision Points to the Managing Director following a recommendation from LCR Investment Panel.
- 7.6 That WYCA approves spend of £625K for the Leeds City Region HS2 Growth Strategy Phase 2. This will be funded entirely from the DfT grant received by WYCA on 21st March 2017.
- 7.7 That WYCA approves acceptance of the DfT offer of funding of £700K and the spend of this for the Steeton and Silsden Active Travel Access scheme. That an Expression of Interest is submitted for consideration by the PAT and the Investment Committee.
- 7.8 That WYCA approves funding of £2.24m for the York Outer Ring Road (A1237) scheme to continue to progress through to Activity 4 (Full Business Case). The project will be funded from the WY+TF.
- 7.9 That WYCA approves funding of £2.2m for the A629 Halifax to Huddersfield Corridor Phase 1a scheme to progress the scheme from Activity 4 (Full Business Case) through Activity 5 (Finalise Costs). That subsequent progression at Decision Point 5 to a maximum funding total of £8.5m is approved by delegation to the Managing Director. The project will be funded from the WY+TF.
- 7.10 That WYCA conditionally approve a grant of £10m to the Leeds District Heat Network, subject to the full funding package being secured from other sources and robust evidence regarding anticipated levels of demand being provided to the next

meeting of the Investment Committee. The project will be funded from the Local Growth Fund.

7.11 That WYCA notes the progression of and funding for schemes from the West Yorkshire plus Transport Fund (WY+TF) and Local Growth Fund as follows, where Investment Committee has delegated the final details of the individual approvals to be delegated to the Managing Director:

- (i) total cost increase (with no further grant increase) for Leeds City College Quarry Hill and an extension to the programme by 10 months and that assets from disposal are used to cover the increase in project costs, whilst any remaining surplus would return to the WYCA;
- (ii) to change the £1m loan at 2% interest for Kirklees Housing Project to an interest free loan of £800k and a £200k project development grant to bring Kirklees Housing project in line with the other LGF projects and allow for the claiming of staff time as eligible project development costs.

8. Appendices

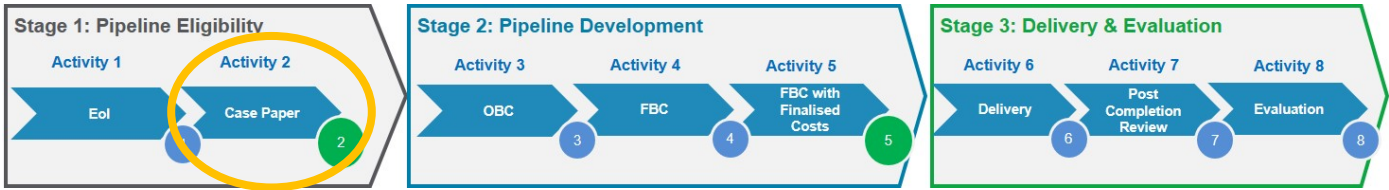
- Appendix 1 West Yorkshire Cycling and Walking to Work Fund
- Appendix 2 National Productivity Investment Fund (NPIF)
- Appendix 3 Global Shared Services Centre

9. Background Documents

None.

APPENDIX 1

CASE PAPER
**West Yorkshire Cycling and Walking
to Work Fund**
6th March 2017



Section A: Scheme Summary

Name of Scheme:	West Yorkshire Cycling and Walking to Work Fund
PMO Scheme Code:	DFT-CWF-001
Lead Organisation:	WYCA
Senior Responsible Officer:	Initiation/Mobilisation: Rob Norreys, Director of Policy, Strategy & Communication Delivery: Kate Thompson – Head of Implementation
Lead Promoter Contact:	Ambrose White - WYCA
Applicable Funding Stream:	DfT Cycling and Walking to Work Fund
Growth Fund Priority Area (if applicable):	Priority Area 2: Skilled People and Better Jobs
Forecasted Full Approval Date (Decision Point 5):	6 th April 2017
Forecasted Completion Date:	31 st March 2018
Total Scheme Cost (£):	£1,500,000
WYCA Funding (£):	£1,500,000
Total other public sector investment (£):	£0
Total other private sector investment (£):	£0
Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	£1.5m from DfT. Seeking CA approval to spend on 6 th April 2017

Current Assurance Process Activity:



Scheme Description:

The project will deliver a range of revenue-funded activities funded by DfT Cycling and Walking to Work Fund to enable, encourage and support individuals and employers in West Yorkshire to take up cycling and walking as ways of accessing existing or new employment and training opportunities.

Activities include training provision, employer liaison and provision of small grants for facilities improvements, media campaigns and employee incentive schemes.

Activities will be focussed on individuals and employers located in the SEP Priority Areas and adjacent employment and skills clusters as part of a West Yorkshire-wide initiative where cycling and walking are suitable options for travel – with consideration of where these are aligned with high quality walking and cycling infrastructure.

Business Case Summary:

Strategic Case	See attached summary																
Commercial Case	Procurement is expected to be conducted through WYCA’s In-Tend system. The following elements of the scheme will be procured:																
	<table border="1"> <thead> <tr> <th>Activity</th> <th>Recruitment</th> <th>Procurement</th> </tr> </thead> <tbody> <tr> <td>CityConnect Cycles</td> <td>1 x FTE – administration of contract To be recruited for Fixed Term contract as soon as possible following April Combined Authority approval</td> <td>External Procurement required (for provision of bikes plus training/engagement) Tender documentation has already been prepared and is ready to be issued pending updates to include this scheme</td> </tr> <tr> <td>Bike Friendly Business Scheme</td> <td>3 x FTE Engagement officers To be recruited for Fixed Term contract as soon as possible following April Combined Authority approval</td> <td></td> </tr> <tr> <td>Media Campaign</td> <td></td> <td>Through existing suppliers</td> </tr> <tr> <td>Walking to work package</td> <td></td> <td>Tender to be issued (potential suppliers aware)</td> </tr> </tbody> </table>	Activity	Recruitment	Procurement	CityConnect Cycles	1 x FTE – administration of contract To be recruited for Fixed Term contract as soon as possible following April Combined Authority approval	External Procurement required (for provision of bikes plus training/engagement) Tender documentation has already been prepared and is ready to be issued pending updates to include this scheme	Bike Friendly Business Scheme	3 x FTE Engagement officers To be recruited for Fixed Term contract as soon as possible following April Combined Authority approval		Media Campaign		Through existing suppliers	Walking to work package		Tender to be issued (potential suppliers aware)	
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	Subsequent contracts will be set-up by WYCA’s legal services team. Contract lengths may vary, but are likely to end on 31 st March 2018. Payment terms will be in accordance with WYCA’s policy. Contract management will be undertaken by WYCA employees.																

<p>Economic Case</p>	<p>Economic benefits will be realised through the delivery of the following outputs:</p> <ul style="list-style-type: none"> • 2,000 individuals provided with training (over 5,000 sessions delivered) • Provision of 600 conventional and 50 e-bikes to individuals for whom access to a bicycle remains a barrier to cycling • 2,500 individuals recruited into the Love to Ride cycle challenge, from 200 organisations – leading to 300 new riders created • 150 businesses accredited (from a wider range of businesses engaged with); with 75 small grants awarded • Around 400 MCards provided to jobseekers and apprentices for whom cycle-rail journeys could enable access to opportunities (delivered as part of training programme) • Digital outputs arising from media campaigns: <ul style="list-style-type: none"> ○ 8.3 impressions ○ 48.5k website click throughs ○ 131 video views ○ 15% increase social media followers • 300% increase in new users 																														
<p>Financial Case</p>	<p>The anticipated scheme funding is as follows:</p> <ul style="list-style-type: none"> • £1.5m funded by DfT via WYCA for 2017/18. <p>The outturn costs breakdown is as follows:</p> <table border="1" data-bbox="448 1137 1409 2000"> <thead> <tr> <th>Item</th> <th>Definition</th> <th>Total Project Outturn (£m)</th> </tr> </thead> <tbody> <tr> <td>Delivery Costs</td> <td>This is the costs of implementing the scheme e.g. road construction costs, building costs, new equipment costs etc.</td> <td>£1.375m</td> </tr> <tr> <td>Development Costs</td> <td>This may cover legal fees, consultant fees, design fees, project/programme management costs etc.</td> <td>Included in delivery costs</td> </tr> <tr> <td>Monitoring & Evaluation</td> <td>For any scheme over £5m a cost for Monitoring & Evaluation must be included.</td> <td>£50k</td> </tr> <tr> <td>Risk</td> <td>Has an allowance been made for risk? This may have come from a Quantified Cost Risk Assessment.</td> <td>£75k</td> </tr> <tr> <td>Contingency</td> <td>This should be no more than 10% of total scheme outturn costs.</td> <td>N/A</td> </tr> <tr> <td>Inflation</td> <td>Where a scheme is being developed and implemented over more than 1 year, the inclusion of an inflation cost is advised.</td> <td>N/A</td> </tr> <tr> <td>Land Assembly Costs</td> <td>This is in relation to infrastructure schemes</td> <td>N/A</td> </tr> <tr> <td>Other</td> <td>Please specify:</td> <td>N/A</td> </tr> <tr> <td>Total Project Outturn</td> <td></td> <td>£1.5m</td> </tr> </tbody> </table>	Item	Definition	Total Project Outturn (£m)	Delivery Costs	This is the costs of implementing the scheme e.g. road construction costs, building costs, new equipment costs etc.	£1.375m	Development Costs	This may cover legal fees, consultant fees, design fees, project/programme management costs etc.	Included in delivery costs	Monitoring & Evaluation	For any scheme over £5m a cost for Monitoring & Evaluation must be included.	£50k	Risk	Has an allowance been made for risk? This may have come from a Quantified Cost Risk Assessment.	£75k	Contingency	This should be no more than 10% of total scheme outturn costs.	N/A	Inflation	Where a scheme is being developed and implemented over more than 1 year, the inclusion of an inflation cost is advised.	N/A	Land Assembly Costs	This is in relation to infrastructure schemes	N/A	Other	Please specify:	N/A	Total Project Outturn		£1.5m
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Management Case	<p>The proposed Programme Governance arrangements are Programme Board, SRO (Initiation/Mobilisation), SRO (Delivery), Programme Manager, Project Manager.</p> <p>Proposed roles and responsibilities are as follows:</p> <ul style="list-style-type: none"> • CityConnect (Cycling and Walking) <ul style="list-style-type: none"> ○ Programme Management ○ Communications and Engagement: delivery of activities; monitoring; • Business Support teams (Business Growth incl. WY Travel Plan Network/Resource Efficiency services) – employer referrals; awareness-raising of programme offer; linked MCard ticketing offer • Employment and Skills: DW Liaison; apprenticeship referrals (through Apprentice Hubs) • Research and Intelligence: spatial analysis of opportunity areas; evaluation • Transport Policy: preparing of grant claim; liaison with DfT
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Cycling and Walking to Work Programme Strategic Case

The Scheme fits with the following policy frameworks:

Policy Framework	Policy/Objective/Actions/Target contributed to
LCR SEP	<ul style="list-style-type: none"> • Priority 1 (Growing Businesses) • Priority 2 (Skilled People, Better Jobs) • Priority 4 (Infrastructure for Growth): <p><i>“Establishment of cycling as a major mode of transport with increased active travel benefiting health”</i></p>
LCR Employment and Skills Plan	<ul style="list-style-type: none"> • Support people to access traineeships and apprenticeships as a pathway into rewarding careers • Increase take-up and provision of apprenticeships • Maximise positive connections between health, jobs and prosperity and address barriers to work to help individuals to meet their economic potential
Draft West Yorkshire Transport Strategy	<ul style="list-style-type: none"> • X3 Encourage healthy travel with improved cycling and walking facilities supported by training and promotional campaigns • X5 Improve access for people in disadvantaged and excluded communities <p>Interim target: to increase cycling trips by 100% by 2026</p>
West Yorkshire Cycle Prospectus	<ul style="list-style-type: none"> • Providing encouragement for cycling • Engagement with partners to achieve the best possible results for cycling

Draft DfT Cycling and Walking Investment Strategy	<p><u>Overarching vision:</u> “...to make cycling and walking the natural choice for shorter journeys, or as part of a longer journey”</p> <p><u>Specific objectives</u></p> <ul style="list-style-type: none"> • Double cycling activity by 2025 • Reverse decline in walking activity
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Challenges and opportunities in Leeds City Region have been identified through the Leeds City Region Strategic Economic Plan and through other research undertaken. These are listed below, together with an explanation of how the scheme seeks to address the identified challenges and opportunities through its activities.

Below-average levels of productivity (LCR SEP 2016)	CityConnect Cycles: Package of training and support including the offer of a bike (conventional and electric) for eligible participants to enable and cycling to work/training/education as well as general improved health through sustained physical activity. To be targeted at individuals:
155,000 people in the Region are unemployed and claiming benefits (LCR SEP 2016) An employment rate still slightly below the national average - despite recent increases (LCR SEP)	CityConnect Cycles: Package of training and support including the offer of a bike (conventional and electric) for job seekers to enable and cycling to work/training/education as well as general improved health through sustained physical activity.
Employers in the region cited their remote location and poor connectivity as the main cause of 10% of their hard-to-fill vacancies (LCR Employers Skills Survey, 2015)	Bike Friendly Business Scheme: Business engagement and support scheme for businesses who engage with the programme to encourage new and existing employees to travel by bike. Support and advice offered by CityConnect team; audit and checklist, action plan, new starter support and small grants scheme (e.g for cycle parking). Focus on new build employment sites as well as existing sites with high levels of recruitment – especially where public transport connectivity is limited.
Cycling as a form of transport can provide convenient and healthy access to jobs and training placements, especially for shorter journeys (e.g. under 5km); almost 50% of all commutes in West Yorkshire under 2km are made by car (drivers and passengers) rising to 59% for a 5km journey (around a 15-20 minute cycle ride) (analysis of Census 2011 data)	Bike Friendly Business Scheme: Business engagement and support scheme for businesses who engage with the programme to encourage new and existing employees to travel by bike. Walking to work package: Package of complementary and integrated walking initiatives, e.g. walking challenges, support and advice and incentive scheme – including purchase of activity trackers/wearables.
Less than 1% of work related trips are made by bicycle whilst car travel accounts for 70% of	Love to Ride Challenge: Cycle challenge extended and refocused to engage with apprentices and jobseekers along with existing

<p>journeys (West Yorkshire Transport Strategy Evidence Base, 2016)</p>	<p>wider workplace challenge. Linked to the CityConnect cycles package as recipients would be automatically signed up to the challenge.</p>
<p>76% of the population of West Yorkshire is able to access key employment centres within 30 minutes using the Core Public Transport Network - and combined with cycling for end-to-end journeys, accessibility to the public transport network would increase even more (West Yorkshire Transport Strategy Evidence Base, 2016)</p>	<p>Love to ride challenge.</p>
<p>Levels of congestion across West Yorkshire is currently similar to other UK metropolitan areas – but is likely to increase as a result of our expected growth and related demand for travel (draft West Yorkshire Transport Strategy, 2016)</p>	<p>City Connect Cycles Bike Friendly Business Scheme Love to Ride Challenge Media Campaign: public facing behaviour change campaign around cycling – with a ‘Fresh Start’ theme (back to work/school/college) delivered alongside a parallel campaign targeted at jobseekers and newly employed, promoted through jobcentres, training providers, employment hubs to promote and signpost the offer of bike and training through CityConnect Cycles. 6 week campaign run August and September 2017.</p>
<p>Whilst transport CO2 emissions have fallen since 2007, urban areas of West Yorkshire suffer some of the highest levels of air pollution in the UK. 4.9% of premature deaths in West Yorkshire were attributed to exposure to fine particulate matter in 2012. (West Yorkshire Transport Strategy Evidence Base, 2016)</p>	<p>City Connect Cycles Bike Friendly Business Scheme Love to Ride Challenge Media Campaign Walking to Work Package</p>

The scheme supports the Strategic Economic Plan Headline Initiatives as follows:

<p>SEP Headline Initiative: Priority 2, Initiative 4: “Deliver a ‘more jobs, better jobs’ programme to widen employment, skills, apprenticeships and progression opportunities, linked to need-free goals”</p>	<p>More people getting into work and apprenticeship placements More people able to access better jobs, reducing underemployment and in-work benefit claimant numbers</p>
<p>SEP Headline Initiative: Priority 2, Key Action Area: Employability, Access to jobs and “Realising potential: Maximise positive connections between health, jobs and prosperity”.</p>	<p>A healthier population benefitting from increased levels of physical activity A more productive workforce arising from uptake of active travel to work with lower staff</p>

	sickness rates/absenteeism and turnover of staff
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The scheme supports the SEP Headline indicators in the following ways:

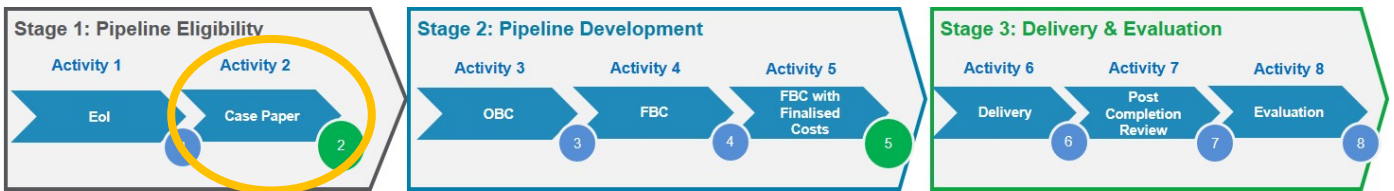
Headline Indicator	Direct Outcomes	Explanation
Jobs created / Safe Guarded	Staff posts will be created as part of delivery of the scheme (cycle trainers) as well as 4 FTEs for one year	Improved access to work through active modes will help employers retain productive and healthy workforces leading to longer term viability within the region
Businesses created /assisted	150/75 (assisted)	150 Businesses will be assisted to offer better facilities and workplace policies for staff to walk and cycle to work; 75 of which will benefit from small grants to upgrade facilities
Additional learner numbers & qualifications	Small indirect contribution	Improved access to training opportunities (including apprenticeships) will help increase numbers of NEETs to access training and education and increase the skills level in the region
CO ₂ reduction potential	Reduction in CO ₂ expected but not quantified	The programme of activities included in the Access Fund bid (totalling £7.5m) , which this programme is based on was estimated to prevent the release of 600 tonnes of CO ₂ p.a. – through a reduction the amount of car travel in the region as a result of switching to active modes Although not currently quantified for this programme, a proportionate reduction in CO ₂ emissions could be expected as a result of these activities

APPENDIX 2

CASE PAPER

National Productivity Investment Fund

8th March 2017



Section A: Scheme Summary

Name of Scheme:	National Productivity Investment Fund (NPIF)
PMO Scheme Code:	DFT-NPIF-001
Lead Organisation:	WYCA
Senior Responsible Officer:	Initiation/Mobilisation: Rob Norreys, Director of Policy, Strategy & Communication Delivery: Kate Thompson – Head of Implementation
Lead Promoter Contact:	Ambrose White - WYCA
Applicable Funding Stream:	DfT NPIF allocations
Growth Fund Priority Area (if applicable):	Priority 4 - Infrastructure for Growth
Forecasted Full Approval Date (Decision Point 5):	6 th April 2017
Forecasted Completion Date:	31 st March 2018
Total Scheme Cost (£):	£6,925,000
WYCA Funding (£):	£6,925,000
Total other public sector investment (£):	£0
Total other private sector investment (£):	£0
Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	£6.925m from DfT. Seeking CA approval to spend on 6 th April 2017

Current Assurance Process Activity:



Scheme Description:

Following initial announcement in the Autumn Statement (2016) of a proposed National Productivity Investment Fund (NPIF), DfT has confirmed NPIF allocations to authorities for 2017/18 from a total of £185m nationally – for **capital funding to be spent on ‘improving local road networks, such as highways and public transport networks’**.

Funding in 2017-18 is made by direct allocations to local Transport/Highways authorities. Future years funding (2018-20) likely to be subject to competitive bidding process (TBC). A total of £6.925m has been allocated, by formula, to West Yorkshire in 2017/18 – to go to WYCA as the accountable financial body. A condition of the grant allocation is that authorities must include information on their website by end of March 2017 providing details of how the funding is to be used in 2017/18.

West Yorkshire Districts and WYCA have agreed an approach to the funding - It is proposed to use NPIF to enable an expanded Local Transport Plan Implementation Plan programme, alongside:

- Integrated Transport Block funding allocation for 2017/18
- Highway Maintenance Block funding allocation for 2017/18

A proportion of this NPIF funding is proposed to be used to increase the level of funding to deliver the schemes identified all partners in the LTP IP3 programme (WYCA-led projects included in this programme will be taken through the Assurance pathway individually)

The remainder would provide an element of discretionary spend by WY Districts and WYCA. Funding must be spent by end of March 2018. WYCA has already confirmed to DfT (on behalf of WYCA and its District partners) its ability to spend this funding in 2017/18. WYCA is required to publish on its website details of the West Yorkshire NPIF programme by the end of March 2017.

Business Case Summary:

<p>Strategic Case</p>	<p><u>Objectives</u></p> <ul style="list-style-type: none"> • The proposed projects included in the WY NPIF programme are shown in the table below. The objectives of the schemes, based on the headline NPIF criteria, are: <ul style="list-style-type: none"> - reduce congestion - improve the resilience of the highways network against traffic management control failure and flooding, reducing disruption arising as a result of these events. - improve accessibility in local communities through better pedestrian facilities
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- DfT has confirmed that no further detailed criteria will be issued for the use of funds in 2017/18

Policy Fit

The proposed WY NPIF programme has been aligned with SEP and draft WY Transport Strategy policy and strategy statements:

Policy Framework	Policy/Objective/Actions/Target contributed to
LCR SEP	<ul style="list-style-type: none"> • Priority 4 (Infrastructure for Growth): Action A - “Transport Infrastructure And Services”
Draft West Yorkshire Transport Strategy	<ul style="list-style-type: none"> • RN2 Manage a West Yorkshire Key Route Network to improve journey times and reliability • RN6 Provide safer, more convenient networks for walking and cycling • PL2 Create more accessible people friendly local centres and neighbourhoods • OS2 Deliver a bus system that reflects travel patterns and puts the customer first • OS1 Deliver high quality Transport Hubs for improved interchange between all modes • SF1 Improve and coordinate traffic management systems to improve journey times and reliability • SF3 Improve passenger information for greater availability and ease of use • AM2 Improve the resilience of our road network to function reliably • AM3 Invest to save to improve performance and value for money in our transport networks • X1 Reduce air pollution, carbon emissions and noise levels associated with road transport <p>Contributing to Interim targets* – increase by 2026:</p> <ul style="list-style-type: none"> - cycling trips by 100% - bus trips by 25% - rail trips by 50% <p>Targets were set in line with industry practice – following consultation expect to review and potentially increase level of ambition</p>

Commercial Case	To be confirmed in Outline Business Case
Economic Case	To be confirmed in Outline Business Case
Financial Case	To be confirmed in Outline Business Case
Management Case	<p><u>Proposed Delivery model</u></p> <ul style="list-style-type: none"> • The general approach to delivery of schemes is for delivery to be by WYCA and Districts in line with arrangements already in place for LTP Integrated Transport (IT) block scheme delivery • All partners' progress on delivery to be monitored by WY & Y Transport Board (District Chief Highways Officers/Heads of Transport) • WY District proposals <ul style="list-style-type: none"> ▪ to be confirmed by end March 2017 in agreement with District Chief Highways Officers/Heads of Transport. ▪ In line with the proposal for dealing with LTP IT funded schemes, it is not proposed for District NPIF schemes to be submitted to the WYCA Assurance pathway. • For WYCA schemes: <ul style="list-style-type: none"> ▪ delivery to be monitored through appropriate channel in line with other capital programmes (currently under review by PMO) ▪ to be delivered by existing project and programme management resources <ul style="list-style-type: none"> • For Hubs and Hotspots – funds held and managed by WYCA – delivery of highways elements by Districts (funding allocated by WYCA); delivery of public transport elements by WYCA • For Bradford Interchange scheme – funds held, managed and delivered by WYCA

Programme Components

Delivery Partner	Scheme Name	Allocation (£k)
All	IP3 Programme Supplement	1617
	Discretionary Element	
Bradford	Highways Resilience Programme - Flooding/Drainage upgrades Traffic Signals upgrades to reduce congestion on key routes	836
Calderdale	Access Improvements (Carriageway Reconstruction)- A644, Brighouse Access Improvements (Carriageway Reconstruction)- A629 Halifax Access Improvements (Carriageway reconstruction) - A6026 Copley	518
Kirklees	Access Improvements (Carriageway Renewal) Traffic Signals upgrades to reduce congestion on key routes Highways Resilience Programme - Flooding/Drainage upgrades	836
Leeds	Highways Resilience Programme - Flooding/Drainage Traffic Signals upgrades on key routes (to reduce congestion) Traffic Signals upgrades on key routes (to improve resilience against life expired equipment)	1194
Wakefield	Local Traffic Management (LTP contribution) Key route highway flood priority areas Town centre traffic signal junction(s) Pontefract to Knottingley Connect Sharlestone to Streethouse footpath link A650 dual carriageway pedestrian crossing Pontefract corridor junction improvements Holywell Lane – Fryston highway resurfacing	597
WYCA	Public Transport - Route Improvements (Hotspots package) <i>e.g. Heckmondwike traffic scheme to reduce delay to buses</i> <i>Further input from Districts required to finalise schemes</i> Bradford Interchange Access Improvements (short stay car park improvements to improve safety of interchanging passengers for rail and bus station) Public Transport - Interchange Improvements (Hubs package) <i>Further input from Districts required to finalise schemes</i>	1327
	Total	6925

APPENDIX 3

Business Case Summary

Project Primrose

23rd March 2017

Name of Scheme:	Project Primrose
PMO Scheme Code:	GD-PA1-010
Lead Organisation:	FTSE100 Company (the company has requested anonymity due to the levels of commercial sensitivity)
Senior Responsible Officer:	TBC
Lead Promoter Contact:	TBC
Applicable Funding Stream:	GD3 Strategic Inward Investment Fund
Growth Fund Priority Area (if applicable):	Priority 1
Forecasted Full Approval Date (Decision Point 5):	Grant offer (Decision point 4) End of April Grant Agreement Finalised (Decision Point 5) End of May
Forecasted Completion Date:	September 2017
Total Scheme Cost (£):	15,000,000
WYCA Funding (£):	1,500,000
Total other public sector investment (£):	0
Total other private sector investment (£):	£13,500,000
Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	Yes. The project is being funded from the Strategic Inward Investment Fund. This is part of the GD3 allocation announcement. The Strategic Investment Fund Programme is currently being developed and will seek approval as an Investment Programme in June 2017.
Current Funding Allocation:	The Strategic Investment Fund has been allocated £13.45m

Current Assurance Process Activity:



Scheme Description:

The project is a grant application for a proposal for a FTSE100 company to open a Global Shared Service Centre in Leeds City Region. The business will occupy c.70,000 sq ft of grade A office space in central Leeds.

The successful investment will create 500 new additional jobs for the region and c.100 new jobs to the UK in high quality roles, initially over a ten year project period with continuation of the operation into the future. The company are pursuing this project for the purposes of bringing together global business service functions into a single operation, producing efficiencies and increasing productivity.

The investor wishes to confirm their final investment location during April and make a public announcement in May. The investor’s main Board has delegated the final location decision to a project sub-committee who now await a determination on this grant application.

The investor has requested a £1,500,000 grant against a £15,000,000 capital expenditure including capitalisation of a 10 year lease which is allowable under Regional Aid provisions.

The new GD3 £13.45m Strategic Inward Investment fund will be the source of the grant finance. The objectives of this fund are to position Leeds City Region as the location of choice for this mobile and competitive investment opportunity, through the de-risking of the client’s investment. The award of this grant will enable the business to bring forward investment and will narrow the cost gap between Leeds City Region and other potential (global) locations under consideration.

The company have undertaken a robust analysis of the costs/benefits of locating these functions in different global locations and have reduced potential locations to a competitive shortlist. It is understand that Leeds City Region is in the final 2/3 potential locations.

Leeds City Region is more expensive on both office cost and salary cost measures, but produces non-monetary additionalities for the business which cannot necessarily be quantified in this analysis. In order for the client business to determine that Leeds City Region is a preferable location for the investment it is necessary to narrow the cost gap between our region and the potential competitor regions. This will generate a stronger business case and de-risk the initial investment for the client.

In addition this high profile investment is viewed as a demonstration of the competitive strength of the region and is likely to generate further investment opportunities.

The grant application will appraised using the Business Grant Programme process. In line with this process a full application will be received and appraised by Mid April 2017. The full application will provide comprehensive business case information for the application and will enable a more detailed business case appraisal to be undertaken.

Business Case Summary:	
Strategic Case	This scheme delivers on SEP priority 1 in particular the Headline Initiative to Boost Business Growth, Productivity, Exports and Investment by linking businesses to support and funding, including through the LEP Growth Service, Skills Service and Trade and Investment programme.
Commercial Case	Full information on the commercial case will be received as part of the full application.
Economic Case	The application has high potential to deliver against the headline indicators in particular to bring 500 new jobs to the region. Its contribution to GVA uplift will be assessed as part of the full appraisal after the full application has been received.
Financial Case	Full information on the Financial case will be received as part of the full application. Initial information indicates that the application is eligible for funding from the Strategic Inward Investment Fund and that it is affordable within this funding programme.
Management Case	Full information on the Management Case will be received as part of the full application.

Director: Rob Norreys, Director of Policy, Strategy and Communications

Author: David Walmsley



ITEM 6

Report to: Combined Authority

Date: 6 April 2017

Subject: Inclusive Industrial Strategy

1. Purpose

1.1 To provide WYCA with the draft response to the Industrial Strategy green paper and consultation on the Northern Powerhouse Strategy.

2. Information

2.1 The *'Building Our Industrial Strategy'* green paper¹ sets out an ambition to build an industrial strategy that addresses the long-term challenges facing the UK economy, with the overarching aim to improve living standards and economic growth by increasing productivity and driving growth across the whole country. It is built on 10 "strategic pillars" which cover familiar industrial strategy ground (skills, infrastructure, sectors, research and so on) but, reflecting the views of Greg Clark MP, Secretary of State for Business, Energy and Industrial Strategy, the consultation document is notable for its much stronger focus on both 'deal making' and on the recognition of 'place'.

2.2 Government is also consulting on the Northern Powerhouse Strategy², originally published with the Autumn Statement in November 2016, alongside the Industrial Strategy.

2.3 The Secretary of State, Greg Clark MP, has recognised that (central) Government is not good at everything, and posed the question/challenge: "*who takes over?*" Running through the city region's draft response is a rationale that inclusive growth - where everyone is able to contribute to, and benefit from, a growing economy - is best achieved by accountable decision-making at the most local level possible. For such strategic economic matters, this would usually be the Leeds City Region.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586626/building-our-industrial-strategy-green-paper.pdf

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571562/NPH_strategy_web.pdf

- 2.4 We call for a place based settlement that matches power and funding to the level where decisions are best taken. In the Leeds City Region, this would be an **‘inclusive industrial strategy’**, inspired by genuine community dialogue, and implemented jointly by local authorities, businesses (via the LEP) and Government. The prize is growth that works for all, with productivity improvements at the heart of an improvement in living standards, especially for the lowest paid; a reconnection between residents and trusted, accountable institutions; and businesses having confidence that they will be supported to maximise the potential of a globally-connected United Kingdom outside of the EU, and that any risks are properly addressed.
- 2.5 Civic and business leaders recognise such a settlement requires ambitious, strong and accountable leadership. We show how community, business and local government partners in the Leeds City Region are committed to further strengthening local institutions, are best-placed to deliver many of the new commitments, and call on Government to properly empower these places.
- 2.6 At its last meeting on 2 February 2017 WYCA:
- (i) Noted publication of the Government’s green paper on industrial strategy.
 - (ii) Agreed with the proposed outline themes as a basis for the response, including the opportunity to work through the LEP Network and other structures to make the funding announced in the Autumn Statement an opportunity to deliver the Heseltine Review through stronger local decision-making over a single pot. Further, this response will reiterate that a step-change improvement in outcomes depends on ambitious devolved powers.
 - (iii) Agreed that a draft response be considered at the next meeting.
 - (iv) Noted the likelihood that further resources would need to be invested to develop cross city-region activity that fully exploits the potential for an inclusive industrial strategy with ambitious devolved powers.
- 2.7 This draft Leeds City Region response to the 38 consultation questions takes account of:
- Discussions with city region universities – via Vice-Chancellors and Knowledge Transfer Directors;
 - Consideration at all recent LEP Panels and the LEP Board (21 March);
 - Discussions at the LEP’s business communications group and associated networks like the EEF, IoD, Chambers, etc.;
 - A survey of SMEs;
 - Pan-Yorkshire collaboration with other LEPs where there are mutual interests;
 - Discussions with West Yorkshire and York local authorities and partners involved in the Core and Key Cities groups;
 - Consideration by the Leeds City Region ESIF Committee; and,
 - Discussion with Government officials.
- 2.8 The response draws together established city region views on:
- *Inclusive growth*, including the latest information from the inclusive growth project initiated by WYCA and LEP Board in December 2016, and the RSA’s

Inclusive Growth Commission's report, launched in Bradford by chair Stephanie Flanders on 6 March;

- A strong local appetite for *ambitious devolution*, including control of fiscal powers for functional economies; and,
- *Making the most of Brexit opportunities* and ensuring risks to the Leeds City Region economy are addressed as far as possible.

STRATEGIC IMPLICATIONS

- 2.9 In headline terms there is much to welcome from the industrial strategy consultation (a summary is provided in **Appendix A**). The existence and aspiration of the strategy reflect the social and economic aims of LCR leaders, and provide the hooks to progress LCR priorities. The broad economic thesis is one we support, and runs through the LCR Strategic Economic Plan (i.e. that sustained improved living standards for the many, not the few, can only be delivered through an improvement in the productivity of UK plc, and that central and local Governments, businesses and others all have important roles to play).
- 2.10 Pillars 1 to 8 are important drivers of productivity and have been the foundation of the UK Government's economic policy for over two decades. However, that period has seen growing domestic inequality and a growth rate no better than the OECD average³ which lags competitors like Germany and the United States (both of which are far less centralised). This is because policy decisions have not had the required level of local coordination, leadership or accountability. There is a significant risk that the strategic pillars further cement departmental silos and the individual pillars (skills, infrastructure, science and so on) are not fully integrated with the place-based elements. The approach risks repeating the mistakes of other national strategies where the principles of place-based solutions – in particular the need for cross-Governmental working to deliver clearly articulated and agreed priorities – are lost in generalisations and a departmental driven siloed approach.
- 2.11 More positively, the green paper suggests a potentially stronger place-based focus than previous industrial strategies, reflecting the longstanding policy positions of Leeds City Region business and civic leaders and the Secretary of State. Pillars 9 and 10 are explicitly place-focused ("driving growth across the country" and "creating the right institutions to bring together sectors and place"). The Secretary of State has been clear in challenging civic and business leaders to together answer his call for 'who takes over'⁴, with the degree of actual place-based work depending on the strength of leadership of functional economies:

"Government is good at some things, but not everything.

The success of the Industrial Strategy will depend on us knowing the difference.

But this begs a question:

If Government does step back, who takes over?

The obvious answer, to everyone in this room [British Chambers of Commerce annual conference], is that it is the people who know better – the business

³ World Bank statistics. GNI per capita, Purchasing Power Parity (1994 – 2015).

⁴ <https://www.gov.uk/government/speeches/greg-clark-speech-to-the-british-chambers-of-commerce>

leaders, community leaders and the people who live and work and do business in their local communities.

But that requires strong local institutions – so that decisions are made at the right local and geographical scale and for the common good, not special interests.

Since 2010, we've been building those institutions.

For instance, the Local Enterprise Partnerships to which many Chambers of Commerce have made such a valuable contribution.

Then there are new local government institutions like the Combined Authorities and elected mayors in metropolitan areas. They all have very strong business involvement.”

2.12 Elsewhere, there are some significant gaps in the underpinning analysis and the subsequent policy prescriptions. It is also the case that much of the green paper simply reiterates current policy and what is genuinely new tends to be further strategic reviews with no clear spending commitments associated with them. Key issues include:

- While the Green Paper sets out the importance of driving growth across the country, it stops short of committing all of Government to delivering in full the Northern Powerhouse Strategy and genuinely-transformative plans for large, functional economies like the LCR.
- Linked to the above point, there is also an absence of analysis about the appropriate role of central Government to drive inclusive growth and productivity improvements in functional economies. This contributes to the tensions, which are evident in the document and in parts of Government, about the commitment to devolution. While there is a specific commitment to exploring further devolution deals with big cities, the importance of devolution in driving economic growth and prosperity and the ambition of said potential deals does not come out strongly across the document.
- Cities, mid-sized towns and rural areas all have vital economic contributions to make, but policymaking and decision processes have to be adaptable enough to empower local communities to achieve their vision for their place. This can only be achieved by a sub-national approach, based on functional economic areas. While there is strong evidence that agglomeration means more growth in the round, it is important to recognise that there can be consequences⁵ and an uneven spread of growth. The best way to address those consequences (in particular, help those market towns described as ‘stuck’ or ‘stifled’) is not to move away from cities as engines of growth, but to stimulate strategic approaches that empower them to identify and achieve their full economic potential.

⁵ Localis (2017) *The Making of an Industrial Strategy*, talks about mid-sized market towns and places that have become ‘stuck’ or are ‘stifled’ as a result of attention on growth in cities. http://www.localis.org.uk/wp-content/uploads/2017/03/004_Localis_IndustrialStrategy_AWK_WEB.pdf

- The green paper is light on the role of education and, while the document raises some of the problems with the current education system, it does not provide compelling policy suggestions to address the issues identified. More broadly, the document also does not pick up key aspects of ‘people’ policy, such as the importance of health and social care reform is not referenced for instance, nor is the role of DWP (and the potential for devolved services) in supporting people back to work.
- The policy announcements on skills are largely re-announced from the Skills Plan and do not reflect the need to develop clearer analyses about the skill needs of different labour markets, the needs of high productivity sectors and misses the importance of addressing skills issues across all sectors of the economy to drive overall productivity growth and economic inclusion and addressing the current fragmentation of the skills system. For instance, health and social care is a sector where more needs to be done to correct skill gaps and where better skills development can see more jobs taken up by local residents (see para 2.14).
- There are welcome statements on the need to "use infrastructure to support rebalancing" and to take account of the balance of spending per head between different regions when developing and planning future rounds of infrastructure investment. However, no details were provided on how this will be achieved and the strategy did not highlight the need to evaluate how new funding streams can be developed to link investment with value capture – and the links between spend and taxation – which will be critical if this commitment is to fundamentally alter the balance of spending.
- The explicit shift to a ‘sector approach’ brings risks for the Leeds City Region. In the past the Leeds City Region has lost out on national sector led initiatives because of our diverse economic base and lack of prime exporters and tier 1 supply chain firms that such approaches tend to gravitate around (put simply, at what point does a sector deal stop through supply chains?). Although there is no funding currently attached to the Sector Deals, they are likely to be a key feature in future Government policy and funding decisions.
- The strategy acknowledges the obstacles to firms accessing capital outside London and the South East. Whilst the establishment of the Northern Powerhouse Investment Fund is welcome in addressing these issues, it remains to be seen whether this meets the needs of businesses at different stages of development.
- Finally, the “framework” to build on the particular strengths of different places and address factors that hold places back is narrow – focusing on investment in infrastructure; raising skills; investing in local science and innovation strengths; and getting the institutional framework right – and does not make the links to critical policy areas such as health and social care, education, employment policy, or housing. This approach is at the heart of the place-based vision called for by the RSA Inclusive Growth Commission.
- A review of the location of Government agencies, arms-length bodies, and cultural institutions to identify where relocation could potentially help

reinforce a local cluster and support private sector growth. The Leeds City Region has the opportunity to develop credible proposals for relocations linked to our industrial assets. Moving public employees out of expensive central London accommodation would deliver significant savings to Government and establish national centres of expertise and specialist clusters outside of the capital, aligned to the evidenced assets of places. It would also support the development of the skills system, in particular supporting the development of higher level skills and the ability of the regions to attract and retain talent. Examples which would build on the Leeds City Region's sectoral strengths include relocation of science and innovation agencies (such as Innovate UK), reflecting our evidenced global strengths in areas such as advanced materials and health innovation.

- 2.13 It is also vital that industrial strategy development involves 'real people' to build on the strong culture of civic entrepreneurialism across the city region and to test and refine policies so they work for those they are intended to help. It is proposed that in any programme to develop an inclusive industrial strategy for the city region, it engages widely with groups often disconnected from decision-making.
- 2.14 A viable place-based industrial strategy requires resources. With indications that there may be no further rounds of growth deals, we call for a **single pot** approach of the nature and transformative scale originally proposed by Lord Heseltine in '*No Stone Unturned*'⁶. Broadly, this should be resourced through three means: devolving budgets currently spent via Whitehall departments (e.g. the adult skills budget and local transport funding); devolved fiscal powers, and passporting savings from the UK's exit from the EU.
- 2.15 On the latter point, HM Treasury figures indicate a net UK contribution of £8.5 billion annually to the EU, and the Leeds City Region was allocated circa. €396m (approx. £338m) in EU funding for the period from 2014-20. The LCR is currently working via other core city areas and the LGA to influence Government's approach to future funds, including principles that:
- Funding for local growth is at least of equal value to all the domestic and EU programmes it replaces.
 - Funding is continued to be allocated over a long-term cycle. This is regarded as a significant benefit, as the current seven-year (plus three) arrangement allows for planning beyond short-term political cycles.
 - Maximum integration with a single investment pot, rather than the current plethora of different funds, funding strategies and managing authorities.

DEVELOPING A LEEDS CITY REGION RESPONSE

- 2.16 A detailed Leeds City Region response to the 38 consultation questions is being prepared for the deadline of 17 April. This is being shaped through widespread

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34648/12-1213-no-stone-untuned-in-pursuit-of-growth.pdf

engagement with businesses, other stakeholders and local authorities and also highlights how the LCR is well-set to help deliver Government's new commitments.

- 2.17 It is proposed that the city-region's detailed response highlights a small number of transformative opportunities, potentially including:
- Doubling the size of Leeds and York city centres;
 - Better commercialising our role as a world-class digital economy, with the only UK internet exchange outside of London and commitment to use 5G connectivity to transform business and public services;
 - Securing Leeds as the Capital of Culture 2023 and its impact across The Hepworth Wakefield, Yorkshire Sculpture Park and Bradford's UNESCO City of Film;
 - Making the switch to a hydrogen-based economy, with zero carbon emissions at the point of use;
 - Go beyond a NEET-free city region, raising skills and employability through more STEM education for future jobs, and seeing equality of skills to tackle the gender gap in engineering and digital growth sectors.
 - Improving infrastructure, with a spend per head compared with London unlocking better road, rail and air links; managing the risks and consequences of flooding, and proving tens of thousands of new homes with the facilities they need so current and future residents continue to enjoy a high quality of life.
- 2.18 However, responding only to the individual questions poses a risk that further iterations of the industrial strategy do not move away from Whitehall silos and respond to the opportunities and challenges in specific places. There is an opportunity for civic and business leaders to answer the Secretary of State's "*who takes over?*" challenge and develop the place-based industrial strategy that we have long argued for, and was at the heart of RSA Inclusive Growth Commission report and launch in Bradford on 6 March.
- 2.19 In line with the planned approach for the Devolved Administrations, the LCR Strategy could act as the foundation for a joint LCR-Government plan to ensure buy-in from relevant Government departments, and provide a sound platform for future devolution discussions with Government. The next step for the industrial strategy is likely to be a White Paper in autumn.
- 2.20 Government has also indicated its informal interest in working with the LCR to further scope potential work on:
- a) A **med-tech workshop** in late April, recognising the LCR's sectoral strength in medical technologies, as recognised in the independent economic review for TfN. The purpose of this is for cluster experts to highlight what is needed to address sector-wide challenges: to facilitate long-term investment and coordination between suppliers and primes; promote healthy competition and innovation; increasing productivity across supply chains; boost skills; increase exports and commercialise research.

- b) Exploring a **care sector deal** with Government, businesses, partners and the public. Over 160,000 people in the LCR work full-time in paid and unpaid care roles (plus many others who undertake caring roles in addition to paid work). This makes the sector bigger, in terms of workforce size, than the entire UK nuclear and aerospace industries combined. It is also a sector with significant challenges - recruitment, training, career progression and pay, as well as how its value can be recognised by society. Equally the sustainability of the NHS and local government depend on a strong care sector, with well trained staff who have career progression prospects, a real living wage and the skills to adapt to new service models that use new technologies. The LCR, with its mix of world-leading training centres, significant scale, and commitment of local government, NHS and sector leaders mean it is best-placed to explore what a sector deal might look like and mean for workers, service users, regulators, local and central governments and partners like hospitals.

3. Financial Implications

- 3.1 There are no direct implications from this report, but there are potentially significant indirect implications:
- a) Engaging proactively with Government to demonstrate strong civic and business leadership across functional economies is vital to local leaders gaining the devolved powers (including revenue funding and fiscal powers) to invest to unlock growth. The risk is that the LEP/WYCA do not have the resources required to drive an inclusive industrial strategy.
- b) Should funding or fiscal powers be devolved, local civic and business leaders will have greater decision-making roles on that funding.
- c) Any desire to strengthen place leadership means that local and sub-regional (and possibly national) organisations may need to adapt roles.

4. Legal Implications

- 4.1 There are no legal implications arising from this report.

5. Staffing Implications

- 5.1 Currently WYCA is unable to resource all of the above work to completion within current budgets. It is making best use of resource-in-kind contributions from some authorities and partners in HE and health services, but there remain gaps that mean work will have to be prioritised. Not completing any element risks falling short on demonstrating the level of ambitious city-region leadership required to illustrate “who takes over?”

6. External Consultees

- 6.1 The LCR’s policy position and response to the green paper has been discussed with:
- LEP Board.

- LEP Panels (Business, Innovation and Growth; Skills and Employment and Green Economy).
- LEP's Business Communications Group and LCR business representative organisations.
- University Vice-Chancellors and higher education representatives.
- Local authority representatives, including chief executives and Directors of Development.
- Partners across other local public services.

7. Recommendations

- 7.1 That WYCA provide views on the emerging city region response as outlined in this paper.
- 7.2 That WYCA delegates sign off of the final response to the Managing Director, in consultation with the WYCA and LEP Chairs for a joint WYCA/LEP response.
- 7.3 That WYCA agree that the Leeds City Region engages with Government to explore a potential place-based settlement that could serve as a jointly-owned plan to channel the combined efforts of national and city-region leadership, drawing upon widespread engagement with local communities.
- 7.4 That work be pursued to host a specialist workshop on med-tech and for officers to explore with partners potential to develop options for a sector approach to care.

8. Background Documents

- 8.1 Reports to:
- WYCA (2 February 2017) – on industrial strategy
 - WYCA (1 December 2016) – on developing the LCR strategic economic plan and inclusive growth

THE NATIONAL INDUSTRIAL STRATEGY: KEY MESSAGES FROM THE TEN PILLARS

The consultation document sets out the Government's approach under 10 strategic pillars. This includes details of existing activities and some early actions Government have committed to take. This section highlights the Government's objective under each strategic pillar and key new announcements of relevance to the Leeds City Region.

PILLAR ONE: Investing in science, research and innovation

- 1.1 The Green Paper sets out an ambition for the UK to become a more innovative economy and to improve the commercialisation of its world leading science base to drive growth across the UK. While there are no new significant investments announced, Government is seeking views on how the pre-announced £4.6bn increased investment in R&D is spent (e.g. capitalising on local strengths, funding science commercialisation, developing talent etc.). More specifically, they are consulting on the priority areas for the Industrial Strategy Challenge Fund (in the paper they identify initial priorities as the 8 great technologies of: smart energy, robotics and AI, space tech, leading edge healthcare and medicine, future manufacturing, biotech and bioscience, quantum tech, and transformative digital tech). UKRI will then consult in more detail in early 2017 based on feedback to the Green Paper. While the document notes that another wave of science and innovation audits are on-going the outcomes of SIAs already completed are not noted nor is there any link to how they should inform future resource deployment decisions. Without this reference, it is questionable how genuine is the commitment to re-balance national spend and capitalising on the evidenced strengths and assets of the North and the Leeds City Region to drive global growth.
- 1.2 The consultation also announces that officers of the Intellectual Property Office are to be placed in key UK cities – starting with the Northern Powerhouse – to build local capacity to commercialise intellectual property.
- 1.3 Other announcements include:
 - Sir Mark Walport to review the case for a new research institution to act as a focal point for work on battery technology, energy storage and grid technology, reporting in early 2017
 - commissioning independent research on approaches to commercialisation in different institutions, including how they approach licensing intellectual property and taking equity in spinouts
 - seeking to harness the potential of the UK's home-grown inventors and stimulate user led innovation by launching a challenge prize programme.

- reviewing how to maximise the incentives created by the Intellectual Property system to stimulate collaborative innovation and licensing opportunities
- setting out a UK Measurement Strategy, establishing a framework to capitalise on our National Measurement System which provides UK industry with world-leading measurement science and technology.

PILLAR TWO: Developing skills

- 2.1 The Green Paper sets out that Government wants to help people and business to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy, and by raising skill levels in lagging areas.
- 2.2 The skills strategic pillar largely repeats the announcements already made in the national Skills Plan, including the intention to create a small number of high quality new routes and attracting more industry specialists to work in the sector to raise the quality of higher skills training. The strategy is light on the role of education and, while the strategy raised some of the problems with the performance of the current education system, it does not set out an approach to address them. Again, the link to the Northern Powerhouse Strategy is not clearly articulated. The Green Paper also does not address the critical issues about the current fragmentation of the skills system. However, it does announce new funding for Institutes of Technology (although this is modest at just £170m of capital nationally) and Government confirmed that they expect these Institutes to grow out of existing institutions with high quality provision. The process for IoTs is to be launched later in the year.
- 2.3 Work was also announced to ‘authoritatively’ identify and address sector specific skills gaps faced now and in the future. The approach proposed suggests the current thinking is that this will be a national analysis which would not reflect the need to develop clearer analyses about the skill needs of different labour markets and how systems need to be incentivised to meet those needs. The strategy also suggests that this work will focus on ‘key industrial sectors’ but does not reference the skills needs of all sectors of the economy to drive productivity growth and economic inclusion. For instance, health & social care is a sector where more needs to be done to correct skill gaps and where better skill development can see more jobs taken up locally.
- 2.4 It was also announced that a new strategy for careers information, advice and guidance will be published later this year. Finally, Sir Adrian Smith will also undertake a review on how to close large regional imbalances in the take up of advanced mathematics.
- 2.5 Other announcements include:
- exploring how to support further education colleges to be centres of excellence in teaching maths and English.

- exploring how to give technical education learners clear information, which could include a way of searching and applying for courses similar to the UCAS process.
- considering how to enable the specialist maths school model pioneered by Exeter and King's College London to spread and seeking partners to open mathematics schools of this kind across the country
- exploring how to further encourage the uptake of STEM subjects to help meet unmet demand and build on the growth of recent years.
- exploring ambitious new approaches to encouraging lifelong learning, which could include assessing changes to the costs people face to make them less daunting; improving outreach to people where industries are changing; and providing better information.

PILLAR THREE: Upgrading infrastructure

- 3.1 The consultation document highlights the need to upgrade the UK's standards of performance on digital, energy, transport, water and flood defence infrastructure, and better align central government infrastructure investment with local growth priorities. No significant new investment was included in the Green Paper, but it did include a commitment to "use infrastructure to support rebalancing" and to take account of the balance of spending per head between different regions when developing and planning future rounds of infrastructure investment, while continuing to prioritise the highest value for money projects and selecting projects that "unlock the benefits of agglomeration". While this is welcome, there will be a need to evaluate how new funding streams can be developed to link with value capture - and the links between spend and taxation - otherwise these commitment will not fundamentally alter the balance of spending.
- 3.2 It was also announced that Government is seeking to cement the UK's position as a "go-to" destination for connected and autonomous vehicles technology by establishing a new testing ecosystem. The location of the coordinating hub for this project will be announced by spring 2017.

PILLAR FOUR: Supporting businesses to start and grow

- 4.1 Through the industrial strategy, government want to ensure that businesses across the UK can access the finance and management skills they need to grow; and that the right conditions are created for companies to invest. Although there are no significant spending announcements, a number of initiatives and reviews were launched which will be important in setting the future context for how businesses are supported to grow.
- 4.2 In terms of regional impacts, the British Business Bank is to work with Government to build understanding of the obstacles to firms accessing capital outside London and the South East, and the supply and demand-side causes of lower rates of equity deals. While this is welcome, it risks not addressing key issues about funding for

businesses at different stages of development, since the British Business Bank only works for established businesses not for incubation or start-up.

4.3 Other announcements include:

- the Minister for Small Business will take on a new role of Scale-Up Champion, overseeing a task force to support high growth scale-up businesses across the UK, working with LEPS, Growth Hubs, the ScaleUp Institute and other partners.
- exploring how data – such as that held by HMRC and Companies House – can be used to identify scale-up businesses and be made available to enable local public and private sector organisations to better identify, target and evaluate their support to scale-up businesses more effectively.
- working with the British Business Bank, the Business Growth Fund and other private partners to raise awareness of equity funding, diversify funding streams and increase the supply of finance for growing businesses.
- exploring how to support the development of B2B ratings and feedback platforms to make it easier for SMEs to determine the quality of business advice and support services provided to them by other firms.
- a review into entrepreneurship will be led by the Government’s Chief Entrepreneurial Adviser (Tim Dafforn). The review will assess the support currently available to entrepreneurs and consider international best practice with the aim of identifying any potential gaps in current policy.

PILLAR FIVE: Improving procurement

5.1 The Green Paper sets out an ambition to use strategic government procurement to drive innovation and enable the development of UK supply chains. To do so Government intends to focus on: stimulating innovation through government procurement; supporting economic growth through better procurement practices through a “balanced scorecard” approach; focusing on the wider benefits that strategic procurement in key industries like health and defence can bring; and transforming digital procurement. New announcements to achieve this include rolling out the “balanced scorecard” approach recently developed by the Cabinet Office across all major central government construction, infrastructure and capital investment procurement projects over £10 million. Government will also trial different aspects of designing and gathering supplier feedback in public sector procurement. The potential transformational impact of coordinated place based public sector procurement is not highlighted.

PILLAR SIX: Encouraging trade and inward investment policy

6.1 The Green Paper highlights the importance of trade and investment policy in generating economic growth in the light of Brexit. The Green Paper generally sets out the existing national approach to trade and investment, although there is reference to the need to join up national trade and investment promotion with local areas, including the Northern Powerhouse. Other new announcements include:

- building future trading relationships across the world and establishing a series of working groups with key trade partners.
- creating a new more active “Team UK” approach to winning overseas contracts, with the Government helping convene consortia of companies to back a single UK bid for major overseas projects.
- developing a new, more strategic approach to inward investment. The Department for International Trade will review what we can learn from successful inward investment promotion agencies across the globe and it will report in 2017. Government will consider whether there should be a greater emphasis on the effect of investment projects on growth.
- working with behavioural insights experts, to improve targeting of potential exporters and using HMRC data.
- exploring how to maximise the opportunities that a UK presence at existing international trade fairs offers for businesses; and explore where there are sectors which could benefit from support to create trade fairs

PILLAR SEVEN: Delivering affordable energy and clean growth

7.1 The Green Paper sets out the importance of keeping costs down for businesses, and securing the economic benefits of the transition to a low-carbon economy. In 2017 Government will set out a long-term road map to minimise business energy costs. To inform this, Government will commission a review of the opportunities to reduce the cost of achieving the UK’s decarbonisation goals in the power and industrial sectors. Government will also review the opportunities for growth from the energy sector and the opportunities for the UK. A national Emissions Reduction will also be launched in 2017. Finally work is ongoing to identify the best location for a new research institution to act as a focal point for work on battery tech, energy storage, and grid technology, due to report in early 2017.

PILLAR EIGHT: Cultivating world-leading sectors

8.1 The flagship new initiative in the Green Paper was the announcement that Government is inviting groups of businesses (alongside universities, civic leaders and other partners) to come together to agree "sector deals" which identify actions Government and industry can take to increase growth and productivity in sectors (such as improving skills, overcoming regulatory issues, improving access to finance and so on). Early work on sector deals is already underway in life sciences (led by Sir John Bell), industrial digitalisation (Juergen Maier), nuclear (Lord Hutton), creative industries (Peter Bazalgette) and low emissions vehicles (Richard Parry-Jones). The Green Paper sets out that this is not an exclusive list.

8.2 The Sector deals process will be open to all and the Green Paper sets out that Government is prepared to work with any sector that can organise behind strong leadership to address shared challenges and opportunities. There is no funding currently attached to the Sector Deals, although they are likely to be a key feature in future Government policy and funding decisions in the future. In the past the Leeds City Region has lost out on national sector led initiatives given our diverse economic

structure and lack of prime exporters and tier 1 supply chain firms that such approaches tend to gravitate around.

PILLAR NINE: Driving growth across the whole country

9.1 The Green Paper sets out the intention to create a framework to build on the particular strengths of different places and address factors that hold places back. The framework outlined in the consultation covers: investment in infrastructure; raising skills - from early year to graduate retention/attraction; investing in local science and innovation strengths; and getting the institutional framework right. The consultation invites responses on the appropriateness of this, without making any specific spending commitments. Clearly such a framework would be welcome, but the framework is much narrower than the Leeds City Region's own aspiration and fails to make the links to critical policy areas such as health and social care, employment policy, education, or housing.

9.2 In the pillar designed to drive growth across the whole country, there are also commitments to:

- use additional infrastructure funding to unlock growth in areas where connectivity is holding it back by creating new funding which allow better coordination of local economic plans with infrastructure investment.
- take account of the varying infrastructure needs and opportunities in different regions.
- deliver major infrastructure improvements which will help to drive growth across the country, including supporting the development of proposals for the Midlands Rail Hub and Northern Powerhouse Rail.
- work with local areas to test approaches to closing the skills gap; from early years education and the retention and attraction of graduates, to measures to drive the take up of apprenticeships.
- create competitive new funding streams to back the clusters of innovative businesses across the country. These could support and develop world-class research and innovation strengths in local economies, and provide commercialisation funding to allow universities to work more with local businesses. In this way Government will use some of the additional R&D funding to help stimulate local economies, as well as growing the UK overall.
- work with local areas to identify and help develop industrial and economic clusters of businesses, and local specialisms, putting in place the right institutions with the right powers to help support local areas of economic strength. This may involve creating new institutions or strengthening existing ones.
- Government also proposes establishing Ministerial Forums on Industrial Strategy with each of the Devolved Administrations. These will bring together all relevant UK Government Departments and the Devolved Administrations to consider how the industrial strategy can best address key productivity barriers in Scotland, Wales and Northern Ireland. This is an invitation the Devolved Administration to develop jointly plans with the UK Government to support all areas of the UK, and to align economic plans and strategies.

PILLAR TEN: Creating the right institutions to bring together sectors and places

- 10.1 Building on the previous local growth pillar, the consultation has a strong focus on the importance of institutions in driving economic growth in places. Government wants to consider the best structures to support people, industries and places. In some places and sectors the Green Paper argues there may be missing institutions which Government could create, or existing ones that could be strengthened, be they local civic or educational institutions, trade associations or financial networks.
- 10.2 Importantly the Green Paper commits Government to “exploring further devolution deals for our largest cities, where they will increase economic growth, in a clear signal of belief in our local leaders and local communities to take control of their economic destiny”. Other new commitments include:
- maximising the benefit that anchor companies can bring to an area by developing new policies to support the growth of UK supply chains.
 - The Department for International Trade will review how it identifies priority investments, including with reference to the impact they can make in local areas where productivity needs to catch up. As part of this, DIT will consider the role it can play in attracting investment across all regions of the UK.
 - Cabinet Office are reviewing the location of Government agencies and arms-length bodies and where relocation could potentially help reinforce a local cluster and support private sector growth (this will include cultural institutions, such as the Government Art Collection);
 - reviewing whether more can be done to leverage Government and research council laboratories to drive local growth in innovation districts and whether surplus government land or buildings could be used to support innovative businesses
 - supporting networks of universities (such as the N8 Partnership) where they want to come together to improve commercialisation
 - working with the British Business Bank and ScaleUp Institute to understand and address the relative weakness of venture capital funding and entrepreneurship networks outside the South East.
 - the Local Government Association will work with new Mayoral Combined Authorities to build up administrative capacity, for example in transport planning and economic development, which could involve seconding officials from Whitehall to cities.
 - working with local government to explore how more business expertise can be brought into local government, including examining the case for modern aldermen.
 - working with Local Enterprise Partnerships to review their role in delivering local growth and examine how to spread best practice and strengthen them.

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ITEM 7

Report to: Combined Authority

Date: 6 April 2017

Subject: Leeds City Region Housing Policy Position Statement

1. Purpose

1.1 To consider the draft Leeds City Region Housing Policy Position Statement developed by the City Region Land and Assets Board, which is intended to update existing WYCA and Leeds City Region Enterprise Partnership (LEP) housing policy as currently set out in the 2014 Leeds City Region Housing and Regeneration Strategy.

2. Information

2.1 The existing housing strategy and policy position was established in the Housing and Regeneration Strategy 2014, but this now requires a refresh due to changes in the national housing policy and investment environment and the need to seek to influence the delivery of more housing and related outputs and outcomes, as set out in the SEP. This has therefore been prepared in the context of:

- A range of new Leeds City Region housing research. This has provided a refreshed evidence base which the WYCA are asked to note.
- An updated understanding of housing market conditions, trends and housing delivery.
- The forthcoming Government policy white paper on housing.
- Aligning with the revised Strategic Economic Plan (SEP) 2016 – 2036.
- Agreeing the role of WYCA in supporting housing delivery and investment.
- The increasing capacity constraints in local authorities and wider public sector.
- The increasing need to intervene and support the Market to deliver more housing and affordable homes.
- The need to reflect the major opportunities of better linking housing, health and the care system, to improve people's lives, improve coordination between housing and health services, and improve public sector efficiencies. All these aspects are important to ensure that growth is inclusive, which is a key priority for WYCA, and the subject of a wider workstream.

- Informing the City Region Housing & Regeneration Strategy and Delivery Plan which is part of the suite of delivery plans for the SEP (Strategic Economic Plan).
- 2.2 The SEP focus on 'Good Growth' has needed to be reflected in the housing policy position. This means achieving the right quantity and quality of housing growth, which has a relationship with:
1. Improved productivity and economic output
 2. Good jobs, incomes and reduced inequalities
 3. Quality of place, environmental good practice and low carbon emissions
- 2.3 The draft Housing Policy Position Statement, including proposed joint actions and activities to deliver the ambitions and requirements of both the Policy Position Statement and the Strategic Economic Plan (SEP), is attached at **Appendix 1**. The Housing Policy Position Statement was initially reported to WYCA on the 2 February 2017 for discussion, and has been revised to reflect the Housing White Paper 'Fixing our broken housing market' published by Government on the 7 February 2017.
- 2.4 This draft Housing Policy Position Statement has been developed in liaison with all City Region Authorities (Chief Officers, Directors of Development and Chief Executives), the Homes and Communities Agency (HCA), and the National Housing Federation and Housing Associations operating within the City Region; under the leadership of the Leeds City Region Land and Assets Board. The Board considered the final draft Housing Policy Position Statement at its meeting on the 12 January 2017 and recommended it to WYCA and the LEP Board for consideration and endorsement.
- 2.5 The resulting work programme and resource plan for undertaking the draft actions and activities set out in the Position Statement are being developed with the City Region Land and Assets Board.
- 2.6 Housing need is forecasted to be between 10-13,000 net completions per annum. Overall, City Region housing growth delivery has significantly improved over the past five years from a net housing completions low of 5,900 (2012/13) to 10,800 (2015/16) – which is achieving the SEP housing growth ambition of 10,000 homes per annum by 2021. This is in part due to a progressive and supportive local planning system across the City Region with Local Planning Authorities significantly increasing the number of planning permissions for housing, which has risen from 7,600 (2012/13) to over 17,000 (2015/16); but it is also due to particularly strong delivery performance in a number of districts.
- 2.7 However, several districts are not realising their full potential in terms of housing delivery with many stalled in some locations. There is learning to be adopted more widely from those districts where housing delivery has seen a market improvement over recent years, but a key issue that has particularly been emphasised by public sector partners as impacting on delivery levels is the shrinking capacity and reduction of expertise within local authorities and the Homes and Communities

Agency. This is particularly in relation to major schemes' project development, legal and wider development expertise. A key proposed action therefore includes exploring the benefits of a strategic joint mechanism(s) to provide additional capacity and expertise where the support is needed to fill capacity gaps and accelerate delivery of more homes and major growth schemes across the whole of the City Region.

2.8 The Housing Policy Position Statement was also reported to and supported by the LEP Board on the 21 March 2017 to support delivery of the SEP ambitions and targets.

2.9 A Leeds City Region consultation response is being prepared on the Housing White Paper.

3. Housing White Paper

3.1 The Government published its Housing White Paper 'Fixing our Broken Housing Market' on the 7th February and the Housing Policy Position Statement has been reviewed in the light of the White Paper and the proposed national policies. However, there are no significant changes required as the Housing Policy Position Statement reflected the ambitions of Government about tackling housing delivery and looking holistically at the mechanisms and priorities to accelerate growth.

3.2 The White Paper recognises that the housing market is "broken", and seeks to address the problems. There are some new proposals, particularly around speeding up the planning system, but much is left to further consultation on potential solutions before policies and approaches will be confirmed. However, generally the White Paper appears helpful subject to further detail emerging from consultations. The four key themes are as follows:

- **Planning for more homes in the right places:** The White Paper continues to drive forward the need to have up-to-date Plans in place quicker with the aim to simplify plan making. The paper seeks to achieve a standardised way of assessing housing need so that difficult decisions are not avoided or delayed in terms of assessing growth needs. In terms of the City Region, a 'policy-on' position to growth has been taken by Local Planning Authorities so it would be of concern if a new approach resulted in local growth ambitions being impeded in areas seeking growth to support local economies.
- The paper proposes that every authority is covered by a Local Plan, but removes the expectation that there should be a single local plan, providing flexibility for joint plans across different geographies. This includes proposals to enable spatial strategies, produced by Combined Authorities or elected Mayors to allocate strategic sites. Transitional arrangements will be needed to ensure plans in progress are not delayed by any new requirement. The paper aims to provide greater transparency over developer-held land options and making land ownership information more readily available which would be helpful.
- No substantive changes to Green Belt policy are proposed, but where in

exceptional circumstances Green Belt is released 'compensatory' Green Belt is to be provided. The detail will be key to understanding the mechanisms to be used to compensate where Green Belt is released. The paper proposes an increased emphasis on making better use of land for housing by encouraging higher densities in urban locations where demand is highest. This is helpful and will help developers to consider appropriate densities, but has to be balanced with a consideration of quality of design and place making issues. The brownfield development first policy is still prevalent, but with a reference to making more land available in the right places rather than addressing viability which is the main challenge for bringing forward brownfields sites in the City Region and much of the North in general.

- **Building homes faster:** Connected with the above and the drive to find ways to move plans through to delivery faster, the paper introduces a proposal to have local housing land supply agreed on an annual basis. However, this could cause delays in terms of obtaining agreement, arbitration and determination of a final annual district housing figure, which would not achieve the objective and could undermine Plan targets. Supply numbers are reviewed as part of the Local Plan process so further explanation of how an annual assessment helps give additional certainty to delivery would be required.
- The paper says that the capacity and capability of planning authorities needs to be boosted via an increase to nationally set planning fees which is welcomed, although this could have unintended consequences for SME development.
- The paper announces a £2.3bn Housing Infrastructure Fund to be a capital grant programme, which is welcomed. Bids will be invited in 2017 with funding available over the next four years to align infrastructure to unlock housing sites and to be aimed at the areas of greatest housing need. The paper notes that the priority will be to unlock the most homes in the areas of greatest housing need, but there is a concern that much of this grant funding would consequently be directed to London and the South. It will be important that collectively we package up a range of deliverable housing sites to seek to secure the grant funding for major developments in the City Region.
- Measures to 'hold developers to account' for delivery of new homes; for example, proposals to shorten the timescale that developers have to deliver homes once planning permission is given, but further detailed information is required to understand the potential of this mechanism given that in many cases it is land owners rather than developers who apply for permissions. Similarly, the paper asks for views to consider a number of tools to speed up house building including a track record of delivery, failure to implement previous permissions and where barriers make delivery look insurmountable.
- **Diversifying the market:** Support for diversifying the house-building market as a mechanism for boosting supply through expanding small and medium sized builders and custom build homes, as well as for housing associations and local authorities to build more homes is strong and to be welcomed. The Government clearly wants to see productivity and innovation boosted by encouraging modern methods of construction which again is positive, although the paper is light on detail in terms of how this will be translated in practical support.

- **Helping people now:** The White Paper acknowledges that boosting supply will take time and considers tools to help actions now. Measures include tackling empty homes utilising New Homes Bonus payments and council tax premiums, but no new tools to fund resources which enable authorities to tackle empties, and support for areas most affected by second homes.
- The paper indicates that Help to Buy will stay in place. In addition, Starter Homes are to be available for households with an income of less than £80,000, and only for mortgaged buyers, allowing local areas the flexibility to work with developers to determine the level of delivery of starter homes, alongside other affordable ownership and rented tenures – strengthening the recognition by Government of the importance of all types of tenures in the housing supply to meet the range of housing needs.
- The Government wants to explore issues and find sustainable solutions to support older and vulnerable people including ways to stimulate the Market to deliver new homes for older people. Government is also introducing a new statutory duty, which they will provide further guidance, to local planning authorities on how local development documents should meet the housing needs of older and disabled people. Again generally supportive of the Paper’s proposals but await further detail in terms of proactive support.

3.3 A joint WYCA/LEP consultation response is being prepared on the Housing White Paper in consultation with local authority planning authorities and other partners, to meet the Government’s deadline of the 1st May 2017. The response will be generally positive, reflecting that the White Paper is welcomed and that it acknowledges the challenges we collectively face in delivering a ‘fit for purpose’ housing supply. The response will focus on strategic matters relating to planning for housing and housing delivery, and will therefore address the following points:

- The proposed standardised approach to assessing housing requirements: local planning authorities will need to understand the implications of a standardised approach but, moreover, how the assessment is used as a tool to set housing supply numbers. If the intention is to set a baseline figure then this would appear a sensible approach.
- 5 year housing land supply: potential concern of an added layer of complication if assessed annually, but need to know more details.
- Land availability for housing and strategic infrastructure improvements: developing a strategic housing delivery pipeline is a priority for the City Region and aligning infrastructure to help unlock housing sites would be a positive step to help boost supply.
- The proposed Housing Delivery Test and proposed approach to dealing with under delivery: in the North where viability is a major constraint this needs careful consideration.
- What Local Planning Authorities need to increase housing delivery: the number of units currently in the planning system demonstrate that other stimuli are required to turn permissions into homes built. However, a lack of local authority resources and capacity is a constraint. The Government through other sources is

beginning to address issues around skills and capacity within authorities to enable the public sector to drive forward supply. There may be also be a role for WYCA to support local authorities in this respect.

- Powers or capacity required to play a more active role in land assembly: additional streamlined powers would be welcomed but would also require funding to support any action taken, linked to the skill and capacity issues above and de-risking sites to make market ready.
- Developer incentives to deliver homes: certainly in terms of SME and supporting an emergent modular build sector more direct intervention would be helpful
- Affordable housing needs and requirements: a flexible approach to issues to affordability is generally applied by authorities dependent on the needs of communities but further discussions with partners will consider if a more nuanced response is required.

3.4 It is proposed that sign-off of the Leeds City Region response on the Housing White is delegated to WYCA Managing Director in consultation with the WYCA Chair and Deputy Chair for submission before the 1 May 2017 deadline.

4. Financial Implications

4.1 None directly from this paper. However, there will be financial implications in taking forward some of the Key Policy Theme Actions in Appendix 1, which will be outlined in a further paper to the WYCA covering work programme and resource plan in due course.

5. Legal Implications

5.1 None directly from this paper. In due course there could be legal implications resulting from the outcomes of the proposed Key Theme Policy Actions such as in establishing new mechanisms to influence and support housing delivery and partnership working. These would be fully set out before WYCA is asked to adopt any new policies.

6. Staffing Implications

6.1 There are no immediate staffing implications from this report as the Key Theme Policy Actions form part of the core activities of the Infrastructure and Investment Team within Economic Policy. A work programme and resource plan to undertake the proposed activities to deliver the Housing Policy Position's proposed actions is being developed with the Leeds City Region Land and Assets Board.

7. Recommendations

7.1 That the significantly improved housing delivery performance and the significant increases in planning permissions being approved by Local Planning Authorities in the City Region, be noted and welcomed.

- 7.2 That the draft Leeds City Region Housing Policy Position Statement in Appendix 1 be endorsed.
- 7.3 That the scope of the proposed WYCA/LEP response on the Housing White Paper set out in paragraph 3.3 be noted, and that final sign off of the response be delegated to the WYCA Managing Director in consultation with the WYCA Chair and Deputy Chair for submission before the 1 May 2017 deadline.

APPENDIX 1

Draft Leeds City Region Housing Policy Position Statement – Maximising Good Growth Benefits

OVERVIEW

Leeds City Region's economic vision as set out in its Strategic Economic Plan (SEP) 2016-2036 is:

"To be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone".

The SEP's focus on the principal of 'Good Growth' means achieving the right quantity *and* quality of growth, and combines:

- improved productivity and economic output;
- good jobs, incomes and reduced inequalities; and
- quality of place, environmental good practice and low carbon emissions

The four priorities of the SEP taking forward this principle primarily includes Priority 4 'Infrastructure for Growth.' The collective aspiration for housing growth set out in the SEP identifies the ambition to increase housing delivery up to 10,000 net additional dwellings per year by 2021 and between 10-13,000 per year thereafter.

It is considered that the policy position approach needs to focus on how we can jointly provide additionality, whilst also responding to resource and capacity issues within the City Region Local Authorities and the Homes and Communities Agency in relation to supporting and stimulating housing growth and investment across the City Region to deliver the ambitions in the Strategic Economic Plan (SEP). This will involve creating a more entrepreneurial approach across the public sector, and developing new partnerships and joint delivery mechanisms where required to deliver better 'Good Growth' outcomes.

In recent years Government funding has been increasingly focussed away from affordable renting towards the private market and home ownership. Pressures on social housing stock through demand and sales has seen a reducing supply of social housing. While home ownership remains desirable there are emerging challenges around affordability in the City Region that has seen the private rented sector double in scale in the last 15 years, but which often provides poorer quality accommodation.

KEY HOUSING HEADLINES AND CHALLENGES

There are a number of significant structural shifts and challenges facing the City Region:

1. Building rates are below what's needed to meet demand in some districts

- Housing need is forecasted to be between 10-13,000 net completions per year.
- Net housing completions have increased in the Leeds City Region since the economic downturn from a low of 5,900 (2012/13) to 10,800 (2015/16), due to particularly strong performance in several districts.
- However, several districts are not realising their full potential in terms of completions with delivery stalled in some locations.

- Local Authorities have significantly increased approval of planning permissions in the past 5 years, rising from 7,620 (2012/13) to 17,110 (2015/16). Nb. these figures do not include Bradford and Calderdale so the number of planning permissions granted has been even higher across the City Region.
- There is a significant supply of land with planning permission - 60,000+ new homes, 40,000 of which is brownfield land (c600 brownfield sites have planning permission for housing).
- The private sector development industry is the major provider of new housing. Few local authorities are currently involved in directly commissioning housing development to complement the Market and provide additional new homes.
- Government considers that circa 250,000 new homes are required every year to meet housing needs. Apart from the 1960's the private sector has since averaged per decade between c120,000 and c140,000 per annum. Average dwellings completed in England over the recent 5 years from 2010 - 2015 were 97,145 (private sector); 23,952 (Housing Associations); and 1,673 (Local Authorities) – total 122,770 new homes (DCLG Table 244).
- Opportunities are presented by new innovative building approaches including modular house building.
- Uncertain 5 year economic outlook with the potential to negatively impact on housing development and growth.

2. Affordable housing needs are increasing

- Average sale prices of newly built housing across the City Region are largely unaffordable to any households earning average incomes or less.
- Income / house price ratios are up to 1:12
- Median entry level house price ranges between £109k in Barnsley to over £167k in York and Harrogate
- Average deposits required to purchase an entry level home is almost £18k (£25k in Harrogate)
- A return to interest rate increases would exacerbate affordability problems
- Median house prices rose by approximately 6.5% between 2014 and 2016
- After several years of increases, there is now a decline in the levels of home ownership, indicating a period of 'generation rent' occurring in the housing Market, which is forecast to continue to grow.
- Waiting lists for social housing have reduced but there were still 77,500 applicants on social housing registers in 2015.
- Growth in the private rented sector accounts for 16.1 % of households and is rising, whereas the supply of social housing is reducing.
- Reducing levels of affordable housing and social housing are being provided by the public sector and Registered Providers, which is reflected in a reduction in 'firm bids' to the Homes and Communities Agency's current Affordable Housing Programme.
- Housing Benefits bill of c£950m per year in the City Region.
- Welfare reforms affecting the confidence of Housing Associations to develop new homes

3. There is a significant number of poor quality and energy inefficient homes

- There are 1.3m homes in the Leeds City Region.
- 450,000 homes (c40%) requiring energy efficiency improvements to help tackle fuel poverty and health impacts and reduce health hazards
- Estimated 220,000 Category 1 Hazards (severe cold and damp homes & major trip and fall hazards) within the private housing stock, particularly prevalent in the private rented sector
- Opportunity to better link housing and health activity and investments to tackle these Hazards, including to reduce hospital admissions and Excess Winter Deaths.

4. The complexity of major development sites is delaying delivery

- Barriers to development particularly on brownfield sites often lead to significant delays in bringing forward sites for development, particularly major sites – these include site contamination and abnormalities, infrastructure requirements, low land values/ poor margins, land owner expectations, financial and viability issues, and specific planning issues.
- Need for innovative use of public funding, particular co-investment opportunities, to bring forward sites for delivery
- Skills and labour shortages in the construction industry and potential for these to increase if labour market is constrained or there is a downturn in the economy.

5. There is a falling number of SME developers contributing to housing delivery

- Continuing reduction of SME builders in the Market since the 2008 economic downturn, reducing overall development capacity of the Market.
- Capacity and knowledge difficulties within SMEs in finding available small sites for development and negotiating the Planning processes.
- A lack of development finance within SMEs to increase housing delivery rates.
- Reluctance of mainstream lenders to provide finance

6. Public sector capacity to enable and support housing development is reducing

- Although significant funding (mainly loan funding) is available through the HCA nationally to support housing development, there is a lack of development ready sites being brought forward for funding and development across the City Region.
- This is in part due to the significant reductions in capacity within local authorities since 2010 as part of wider Public Service Reforms, particularly project development, land development, Development Management and Planning, and legal capacity.

EVIDENCE BASE

The West Yorkshire Combined Authority and Leeds City Region partners are committed to addressing the housing challenges facing the City Region. The proposed refreshed housing policy position has been guided and shaped by the existing and emerging housing research, including:

- LCR Housing Market Assessment (2015)
- LCR Private Sector Stock Modelling and Health Impacts Assessment (2016)
- LCR Housing Markets Geographies Study (2016)
- LCR Housing Affordability Refresh (2016)
- LCR Housing Requirements (2015/16)

This joint evidence base complements further more detailed work at the local level undertaken by individual local authorities, Registered Providers and other partners.

SPECIFIC POLICY THEMES

In line with the SEP and its 'Good Growth' ambitions, discussion with Chief Housing Officers, the HCA and Registered Providers and the City Region Land and Assets Board have developed the following three key overarching housing policy themes. These have been updated in the context of recent

changes and shifts in Government policy, the context of housing market conditions and trends, and the findings of the above mentioned City Region housing research base.

1) HOUSING GROWTH

In the Leeds City Region we will enable and invest in housing and regeneration to maximise the City Region's economic growth potential, delivering balanced 'good' housing growth across tenures, age ranges and price ranges. This will be housing led and driven growth through:

- Developing and supporting balanced and sustainable communities.
- Meeting the housing needs of vulnerable people
- Delivering more homes for older people, including better care housing, to enable older people to downsize to more affordable housing and release larger family homes back into the Market.
- Tackling growing and emerging affordability issues in the city region.
- Greater coordination of the affordable housing programme to deliver more affordable homes for rent and sale
- Developing an ambitious and coordinated investment programme of combined and complementary funding
- Accelerating construction and housing and growth through direct delivery or commissioning in areas where it will support growth ambitions
- Engaging with the private rented sector including institutional investors
- Prioritising housing and regeneration investment in spatial priority areas.
- Taking advantage of growth opportunities across the City Region.
- Increasing public sector house building
- Replacing public stock lost to the 'Right to Buy'
- Aligning activity with wider infrastructure growth proposals
- Returning empty homes into use

2) HOUSING CONDITION

In the Leeds City Region we will address poor housing condition within our existing housing stock, across tenures and property types, with a focus on sustaining and improving housing quality. We will support good health and wellbeing and maximise and maintain independence, through:

- focusing on housing standards and quality and not just housing growth
- supporting and developing a high quality private rented sector housing offer
- delivering improvements to make homes warmer and reduce fuel poverty
- working with health authorities and the social care sector to tackle housing issues that are detrimental to continued good health and safety, and which impact negatively on health service and social care provision
- Improving flood resilience in new and existing housing stock
- Maintaining levels of 'Decency' in public rented stock

3) HOUSING CONSTRUCTION

The Leeds City Region will deliver its housing growth ambitions and sustain and improve the quality of its existing stock by supporting a multi-faceted approach to housing construction.

This will include seeking to increase capacity and outputs, and support the growth of businesses, jobs and skills, including:

- accelerating levels of housing construction by the Market, as well as complementary activity by the public sector where appropriate
- supporting and enabling the growth in modern methods of construction
- support for business growth and retention from the WYCA business support theme
- retaining, growing and attracting new SME developers such as through targeted support in project development, planning and business advice
- supporting the growth in the skills required to support housing policy ambitions and delivery, improving links and activity between the education sector and the development industry

SPECIFIC POLICY THEME ACTIONS

In taking forward the three draft housing policy themes a number of actions will be developed for each theme that will be ambitious but in line with what is possible through applying good practice and practical approaches, and within reasonable budgets where there is a financial cost requirement. Actions and support will be targeted where they are most needed to ensure delivery of the policy ambitions.

The themes will continue to be supported and underpinned by gathering and maintaining a 'fit for purpose' evidence base that will be timely and robust across these key areas. It will also be critical to continue the alignment and integration of investment programmes to create sustainable communities including housing, transport, green infrastructure and flood risk mitigation.

Housing Growth – Key Policy Theme Actions

1. Working to accelerate construction and housing delivery across the City Region, but particularly in those districts where housing completions are below target levels, identifying relevant and appropriate innovative delivery mechanisms including more integrated direct intervention and delivery by the Combined Authority and local authorities. This will include an immediate focus on accelerating delivery of more affordable homes for all tenures including first time buyers, families and older people, including better care homes, part funded through the HCA Shared Ownership & Affordable Housing Programme, utilising the flexibilities introduced in the 2016 Autumn Statement.
2. Responding to the resource and capacity funding issues that are emerging within some City Region Local Authorities. Developing collective resources such as based on the HCA ATLAS team model, providing additionality and offering support on a broad range of issues to build capacity, accelerate development and deliver on housing growth ambitions.
3. Investigating options for a delivery mechanism to speed up acquisition and, if necessary, packaging of strategic sites and other public assets, ensuring they are brought to market and/or are developed as early as possible for the development of housing where appropriate. This would enable a stronger influence over the acceleration of key strategic land assets in to productive use; and potentially taking advantage of potential land value uplift for reinvestment in additional site enabling and infrastructure development.
4. Working proactively with the City Region's Registered Providers (RP), building on the existing positive relationships with the National Housing Federation and individual RPs, to take advantage of the growth ambition and capacity of the RP Sector to accelerate development of a range of housing tenures. This will include seeking to develop a shared

agreement / compact between WYCA, local authorities and the RPs to agree shared housing ambitions and more collaborative ways of working.

5. Continuing work with the HCA to develop a shared investment programme aligning HCA, WYCA and other funding streams and project development support.
6. Specifically focusing on supporting the development of a pipeline of investment projects in the SEPs Spatial Priority Areas to maximise the City Region's economic potential, enable housing growth and wider regeneration, and accelerate housing delivery.
7. Taking advantage of other housing growth opportunities that may be outside of the SPA's across the City Region that contribute to the City Region's economic growth.
8. Encouraging and supporting the sharing of 'Stalled Sites' good practice from across the City Region, and investigate mechanisms to de-risk sites and bring stalled sites through to successful development, including the contribution of the Combined Authority.
9. Linking wider project pipeline development activity into the wider strategic packaging and use of land and assets developed through the WYCA One Public Estates initiative.
10. Engaging more closely with institutional investors, developing site packages and other propositions to attract more Institutional Investment into the City Region, particularly in relation to providing more affordable housing of mixed tenure and private rented sector housing.
11. Proactively engaging with regional and national house builders and the larger national Housing Associations currently not building homes within the City Region, to provide support and approaches that offer an attractive place for investors in housing to develop.

Housing Condition - Key Policy Theme Actions

1. Encouraging and supporting the development and provision of a better quality private rented sector where poor housing quality is particularly prevalent.
2. Accelerating delivery of the Better Homes Yorkshire programme schemes to increase the number of warmer homes across the City Region and reduce fuel poverty, particularly in the more deprived areas.
3. Developing partnerships and funding models with the health sector and social care sector to deliver collaborative interventions that reduce Category 1 Hazards of extreme cold and damp and influencing delivery both of the Sustainability and Transformation Plans which direct funding resources to the NHS, and social care programmes.
4. Addressing the health impacts of Category 1 Trips and Falls Hazards, improving data collection, and responding to trends and gaps in knowledge and how these may be filled. Exploring opportunities to put into place good practice in terms of prevention and responses.

Housing Construction – Key Policy Theme Actions

1. Stimulating an acceleration in traditional house building and private sector developer completions in some districts to deliver the housing growth required across the City Region
2. Encouraging and supporting growth in modern methods of construction to accelerate supply and speed of delivery, building on and taking advantage of existing and emerging

government support for this growing sector in the City Region. This could include supporting pilot projects to help demonstrate viability and deliverability.

3. Working with the HCA to develop a framework specifically targeted at supporting SME house builders and retaining and growing SME's in construction, as well as supporting self-build and custom build housing.
4. Supporting and encouraging the growth in the skills required to support our housing policy ambitions, potentially developing an enhanced targeted skills programme to meet the changing needs of the housing sector.
5. Promoting the delivery of a quality housing offer across tenures and price ranges

Director: Rob Norreys, Director Policy,
Strategy & Communications

Authors: Colin Blackburn/Alison
Gillespie



ITEM 8

Report to: Combined Authority

Date: 6 April 2017

Subject: Leeds City Region Infrastructure Investment Framework

1. Purpose

1.1 To provide an update on progress in the emerging Leeds City Region Infrastructure Investment Framework (IIF) and seek endorsement of the Stage 1 Baseline Growth Position Paper, which will underpin the IIF, as recommended by the City Region Planning Portfolios Board.

2. Information

2.1 WYCA approved the preparation of the Leeds City Region Infrastructure Investment Framework on the meeting on the 28 July 2016, and requested that the Leeds City Region Planning Portfolios Board oversee the project reporting to WYCA and the City Region Enterprise Partnership (LEP) Board at key decision milestones.

2.2 Work has since then concentrated on developing a robust evidence base on the wide range of infrastructure types to inform the preparation of the IIF, and a key milestone has now been reached in the preparation of the Stage 1 Baseline Growth Position Paper.

2.3 The Planning Portfolios Board has recommended this Paper to WYCA for endorsement at this time to provide the baseline position to inform the preparation of the IIF Issues and Opportunities document which will be presented to the next WYCA meeting in June 2017 for Members' consideration.

Purpose of IIF

2.4 The primary purpose of the IIF is to:

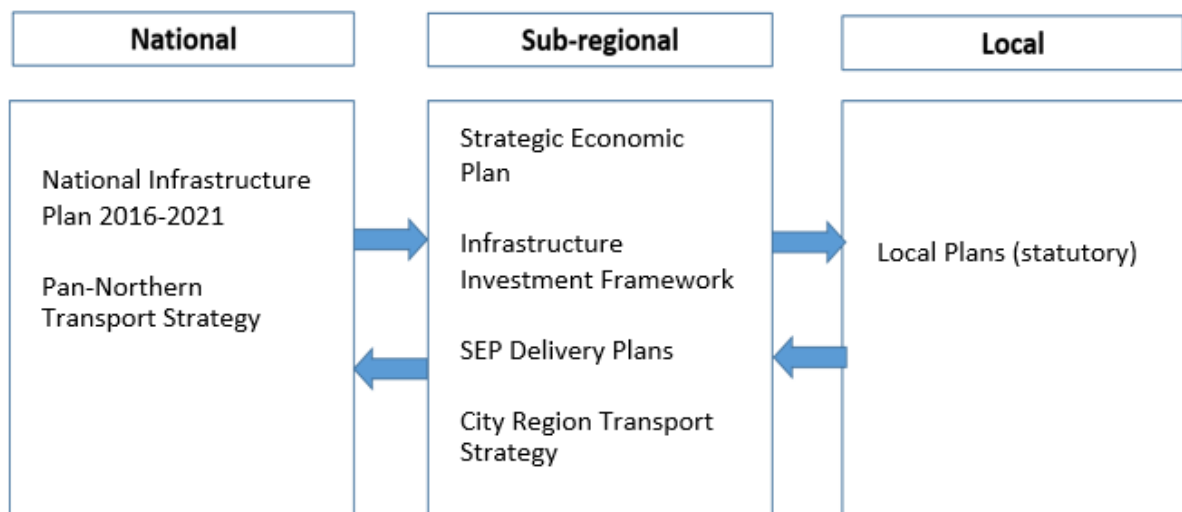
Produce a document that sets out the infrastructure and associated investment requirements to deliver planned growth in the Leeds City Region. The project will help to accelerate growth in line with the aspirations set out in the Strategic Economic Plan (SEP).

2.5 Reasons for undertaking the project and for it to be at the City Region scale are:

- Infrastructure is required to support planned growth of 35,700 net additional jobs by 2036 and between 10,000 and 13,000 additional homes per year, and we don't currently have a full picture of these infrastructure requirements.
- The work is being undertaken at a City Region level as many of the infrastructure requirements cross local authority boundaries. The IIF will provide a high level delivery plan for these infrastructure requirements.
- Some of the infrastructure required to deliver planned growth is already being delivered and / or is funded. Other infrastructure requirements will need funding. This project will help identify the 'gaps' and will help identify and align funding sources including informing additional funding bids including future Growth Deals to Central Government.
- The IIF will provide greater certainty for investors / developers and bring together information in one place. It will provide a holistic picture of infrastructure needs and help to identify where to direct investment. It will facilitate more efficient and integrated delivery by bringing together transport, utility, digital etc requirements into single programmes.
- The IIF will set out clear ambitions for this City Region in a competitive national context. The IIF will take into account the role of the Leeds City Region in the Northern Powerhouse.

IIF Status

2.6 The status of the IIF will be a non-statutory document adopted by WYCA, the LEP and the City Region Local Authorities with the aim of encouraging a joined-up approach to infrastructure provision.



2.7 The IIF will align with Local Plans. The diagram below illustrates how the IIF sits between national and local policy / delivery documents.

IIF Scope

2.8 The period over which the infrastructure requirements will be considered will reflect growth forecast availability and the SEP timeframe (currently to 2036).

2.9 The IIF will draw from, and be consistent with, existing and emerging district level Local Plans and their associated evidence base.

2.10 The IIF will have a focus on the City Region SEP Spatial Priority Areas and emerging strategic growth locations whilst also considering cross boundary issues from areas adjoining the City Region.

2.11 The IIF will include:

- A report
- An interactive online mapping tool
- An evidence base (including sustainability appraisal)

2.12 Infrastructure sectors in scope are defined as 'physical' and 'enabling' and include Transport, Utilities, Energy and Telecoms, Green Infrastructure and Open Space, Flood Risk and Drainage, Waste and Minerals, and Education.

Baseline Growth Position Paper

2.13 The IIF is being prepared in 3 key stages (with approval by WYCA at each stage):

- Stage 1: Baseline Growth Position
- Stage 2: Issues and Opportunities (including Consultation)
- Stage 3: Draft and Final Document (including Consultation)

2.14 The draft output of Stage 1 is a baseline position paper on growth, attached at **Appendix 1**, which is recommended to WYCA for endorsement by the City Region Planning Portfolios Board.

2.15 The purpose of this Baseline Growth Position Paper is:

- to set out the level of growth planned for in the Leeds City Region and the evidence base that supports this position;
- to provide high-level sensitivity testing of the existing growth position taking into account current economic trends;
- to put in context alternative economic growth scenarios that are publically available, for example the Transport for the North Independent Economic Review Forecasts.

2.16 The Baseline Growth Position Paper therefore:

- confirms the level of growth planned for in the Leeds City Region as between 10,000 and 13,000 net additional homes every year to 2036 and an annual increase of jobs of 6,300, and identifies the evidence on which this is based;
- confirms that Local Plans in the City Region are collectively consistent with existing demographic assumptions and SEP aspirations;
- sets out that with regards to jobs growth, sensitivity testing confirms that despite the uncertainties regarding the economic impacts of the recent UK Referendum and US election there is no reason to have less confidence in our commitments on jobs growth;
- will use the best available information to illustrate the high level spatial distribution of planned growth across the City Region in the form of ‘hotspot maps,’ which will be built up from Local Plans and the Development Management process – work is ongoing with Local Authorities to complete these; and
- provides an overview of tools that can be used when planning for and prioritising new infrastructure provision including the City Region Urban Dynamic Model (UDM).

Timescales

2.17 Timescales to complete the IIF have been scheduled to be approximately 18 months. This accounts for a robust approach to consultation, appraisal of opportunities, and consideration of sustainability. The milestones are set out below:

DATE	MILESTONE
Sept 2016	Commencement of refresh of IIF evidence base
Jan / Feb 2017	Detailed discussions across LEP Panels /officer groups on baseline growth paper (takes SEP Economic Assessment as starting point)
Feb/April 2017	Sign off of baseline growth paper (LCR Planning Portfolio Board to WYCA and LEP Board)
Jan / April 2017	Preparation of Issues and Options document & Sustainability Appraisal approach
Jan / July 2017 (as required)	Formal engagement and discussions including specific meetings as required with: <ul style="list-style-type: none"> • WYCA/LEP Boards and Panels • Stakeholders (eg. utilities companies) • LCR Local Authority Chief Executives, Directors of Development, Economic Development Officers, Heads of Planning, Planning Portfolio holders, WYCA Land and Assets Board and Transport Officers • LCR Digital Working Group • European Structural and Investment Fund Committee • Investor / developer audience
April / June 2017	Sign off of Issues and Option document & Sustainability Appraisal approach (LCR Planning Portfolio Board to WYCA and LEP Board)

8 weeks from mid-July	IIF Issues and Options document published for formal consultation period including: <ul style="list-style-type: none"> • Invitation to comment circulated to stakeholders • Channels to be confirmed (investor newsletters etc.) • Twitter alerts
July / Oct 2017	Draft IIF prepared taking Issues and Options consultation comments into account
Nov/Dec 2017	Sign off of Draft Framework (LCR Planning Portfolio Board to WYCA and LEP Board)
Dec 2017 (6 weeks)	Second Stage Consultation on draft IIF and Sustainability Appraisal document (online) – stakeholder workshops and meetings as appropriate/requested
Jan - March 2018	Prepare Final Draft for sign off by LCR Planning Portfolios Board
April 2018	Final IIF presented to WYCA & LEP Board for endorsement
May 2018	IIF published
<i>Looking ahead</i>	<i>Ongoing engagement with partners regarding delivery and implementation</i>

3. Financial Implications

- 3.1 Development of the evidence base over the past six months has been jointly funded by WYCA, local authority and other partners as appropriate. An interim budget funded from WYCA reserves has been made available to support ongoing work on the IIF, with the intention to be replaced by any devolution gainshare funding received.
- 3.2 To minimise preparation costs, the vast majority of the work is being undertaken internally within WYCA, in liaison with Local Authority and other partners.

4. Legal Implications

- 4.1 As a non-statutory document the Framework is not specifically subject to any legal Acts or regulations.
- 4.2 The Duty to Cooperate is contained within the Planning and Compulsory Purchase Act 2004 (the 2004 Act) section 33, with amendments and additions inserted by the Localism Act 2011. The WYCA is not a local planning authority for the 2004 Act. However, it is “*a prescribed body*” which is subject to the same duty to cooperate in relation to maximising the effectiveness of “prescribed activities”.
- 4.3 Correspondingly, there is a need to ensure that collaborative work with local planning and transport authorities is undertaken in a manner which is consistent with the Acts; as also set out locally in the City Region Statement of Cooperation.

5. Staffing Implications

- 5.1 The project is being principally delivered by the Infrastructure Team within WYCA Economic Policy, but is involving officers from all disciplines both within WYCA and within City Region Local Authorities and other partners.

6. Recommendations

- 6.1 That the progress in preparing the City Region Infrastructure Investment Framework be noted.
- 6.2 That the Stage 1 Baseline Growth Position Paper be endorsed.
- 6.3 That following agreement by the City Region Planning Portfolios Board, the draft City Region Infrastructure Investment Framework Issues and Options consultation document be reported to WYCA in June 2017 for consideration and approval.

7. Background Documents

None.

Leeds City Region

Infrastructure Investment Framework (IIF)

Baseline Growth Position

(6 April 2017)

Executive summary

Infrastructure is required to support planned growth in the Leeds City Region (LCR) of between 10,000 and 13,000 net additional homes every year to 2036 and an annual increase of jobs of 6,300 reaching 1.36 million full time equivalents (FTEs) by 2036. We do not currently have a full picture of the City Region's infrastructure requirements to support this growth.

The Infrastructure Investment Framework (IIF) will set out the infrastructure and associated investment requirements to support planned growth and maximise the City Region's growth potential up to 2036. The Framework will bring together information in one place, provide greater certainty for investors, will help in aligning investment in infrastructure from various sources, and inform bids for funding from central Government by identifying the 'opportunities' for infrastructure provision to enhance growth potential.

The IIF takes planned housing and economic growth identified in the LCR Strategic Economic Plan (SEP) and adopted or emerging LCR district Local Plans as the baseline from which to consider infrastructure requirements. The IIF will confirm these infrastructure requirements and identify the key strategic infrastructure priorities to unlock and enhance the City Region's growth potential to 2036.

The purpose of this Baseline Paper is to confirm the level of growth planned for in the Leeds City Region and the evidence base that supports this position, and to provide high-level sensitivity testing of this position. It also describes how the framework will use the best available information to illustrate the high level spatial distribution of planned growth from district Local Plans.

This paper concludes that with regard to housing growth, adopted or emerging Local Plans in the City Region are collectively consistent with existing demographic assumptions and SEP aspirations. Collectively the Leeds City Region Local Authorities are planning for more than 10,000 net additional homes each year through adopted or emerging Local Plans.

With regard to jobs growth, sensitivity testing confirms that despite the uncertainties regarding the economic impacts of the recent UK Referendum and US election there is no reason to have less confidence in our commitments on jobs growth.

For the purposes of the IIF, it is critical that the spatial distribution and broad cumulative density of planned growth is understood spatially and this paper describes that 'hotspot maps' on employment and housing will be prepared in consultation with Local Authorities. These 'hotspot maps' will be built up from Local Plans and the development management process, and will provide a useful contextual tool to engage with stakeholders and infrastructure providers whilst also framing future infrastructure priorities or opportunities identified by the Framework to support planned growth.

This paper also provides an overview of tools that can be used when planning for and prioritising new infrastructure provision. The Urban Dynamic Model (UDM) will inform the contextual elements of the IIF and be used to frame and test any transport infrastructure delivery priorities that are identified by the Framework, these will be modelled in addition

to existing committed transport schemes (e.g. programmed West Yorkshire Transport Fund schemes).

The IIF will utilise the assessment of planned growth and programmed infrastructure to identify potential efficiencies and future priorities or opportunities for infrastructure delivery.

Contents

- 1.0 Purpose of this Paper**
- 2.0 Planned Growth in the Leeds City Region**
- 3.0 Sensitivity Testing of Growth Position**
- 4.0 Existing Alternative Economic Growth Scenarios (Third Parties)**
- 5.0 Spatial Representation of Planned Growth**
- 6.0 Tools to Understand Constraints on Growth**

1.0 Purpose of this paper

- 1.1 The Infrastructure Investment Framework (IIF) will set out the infrastructure and associated investment requirements to deliver planned growth in the Leeds City Region. As such it takes planned housing and economic growth identified in the LCR Strategic Economic Plan (SEP) and adopted or emerging LCR district Local Plans as the baseline from which to consider infrastructure provision.
- 1.2 The IIF is aligned with the plan period of the City Region Strategic Economic Plan (SEP) up to 2036. The IIF will utilise the assessment of planned growth and programmed infrastructure to identify future priorities and opportunities for infrastructure delivery to enhance the City Region's growth potential.
- 1.3 The IIF will support existing and emerging district Local Plans by confirming delivery of district level infrastructure whilst also considering strategic (multi-district) infrastructure and delivery of specific items. The IIF will also provide a high level view of infrastructure requirements within the SEP's Spatial Priority Area (SPAs). The IIF will draw from the existing strategic evidence base and district level evidence including Local Plans and associated Infrastructure Delivery Plans to understand the extent to which infrastructure is planned / funded to support growth.
- 1.4 The purpose of this paper is:
 - To confirm the level of growth planned for in the Leeds City Region and the evidence base that supports this position;
 - To provide high-level sensitivity testing of the existing growth position taking into account current economic trends;
 - To put in context alternative economic growth scenarios that are publically available, for example the Transport for the North Independent Economic Review Forecasts;
 - To set out how planned growth will be illustrated spatially, in the form of 'hotspot maps' for the City Region, which will be built up from Local Plans and the Development Management process; and
 - To identify tools available for use when planning for and prioritising new infrastructure provision and confirm how these will be used in the IIF.

2.0 Planned Growth in the Leeds City Region

Economic growth

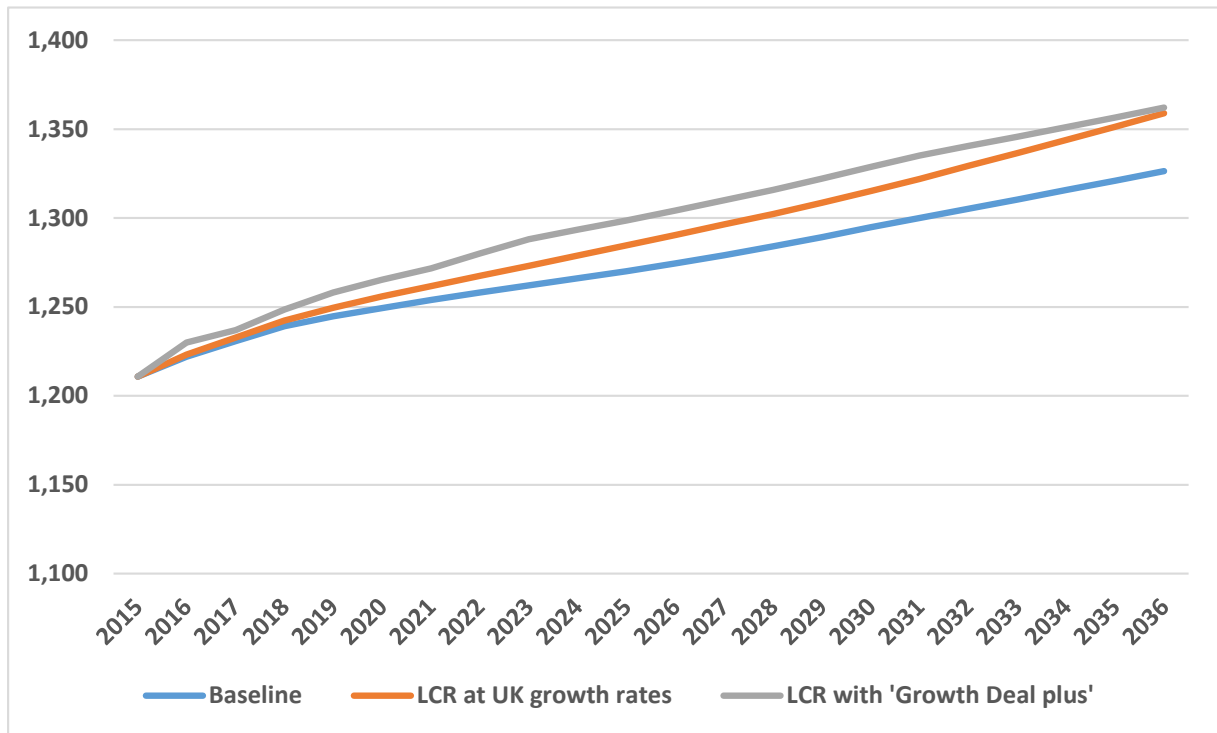
- 2.1 The SEP evidence base provides the foundation for the IIF analysis from a strategic perspective, the Economic Assessment¹ (2016) comprises a wide range of evidence

¹ [Economic Assessment](#) 2016 (WYCA/Leeds City Region Enterprise Partnership, 2016)

- including econometric modelling, labour market intelligence and summarises key economic performance indicators.
- 2.2 The Leeds City Region vision is one of 'good growth': *"To be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone"*.
 - 2.3 Predicting and accurately forecasting future economic trajectories is a challenging undertaking as there is clearly uncertainty in predicting the future, particularly over a 20 year horizon to 2036. The multiple drivers of growth (for example export markets, innovation and inward investment) and the dependencies around economic performance of sectors on a national and global scale illustrates this complexity.
 - 2.4 The Leeds City Region makes particular use of the Yorkshire & Humber Regional Econometric Model (REM). The REM is an interactive database of economic, demographic and environmental data. Developed by Experian, it has been continually developed and upgraded over a number of years to help forecast industry growth and decline over the coming years. The model includes both historical data and forecasts on 38 industry sectors. It can produce forecasts of output, productivity, employment, occupations and skills.
 - 2.5 Both the March and September 2016 versions of Experian's Regional Economic Model expected an extra 116,000 full time equivalent (FTE) jobs to be added to the City Region economy by 2036 – an average growth rate of 0.4% per year. This translates to an annual growth figure of 5800 jobs. It forecast that the size of the economy in GVA terms would reach £95bn by this time – an increase of almost £30bn and an annual growth rate of 2.1%. This is a policy-off position (without policy intervention) and would see the gap to UK GVA persist or widen. 'Policy on' forecasts show that the activity of the City Region and partners (policy intervention) can help the local economy to catch up and grow faster than national levels.
 - 2.6 As part of the work to update the 2016 LCR Strategic Economic Plan, efforts were made to understand the potential scale of difference that the work of LCR and partners could make to the baseline trajectories ('policy on' position). Following best practice in other areas, this considered both a top down and bottom up way of modelling accelerated growth.
 - 2.7 The bottom up scenario took account of all of the extra activity taking place in the LCR including interventions such as LCR Enterprise Zones, accelerated delivery on other strategic sites, future business funding and support, together with delivery of the West Yorkshire Transport Fund (indicated on Figure 1 as LCR with Growth Deal plus).
 - 2.8 It also considered a top down scenario where the LCR economy grows at UK wide levels (indicated on Figure 1 as LCR at UK growth rates). Figure 1 indicates that both the top down and bottom up scenarios exceed the baseline and ultimately reach broadly similar figures by 2036. As shown, the bottom up scenario grows fastest as a result of various interventions coming to fruition in the next few years, while the top

down, national growth rate catches it up over time, but both broadly agree that the LCR could reach an annual increase in jobs of 6,300 per year, reaching 1.36 million FTEs by 2036.

Figure 1: Comparison of Growth Trajectories



Demographics and housing growth

- 2.9 The 2016 Economic Assessment (p117-118) identifies that the number of households in the City Region is forecast to grow by around 8% (105,000) between 2012 and 2022, taking the total number of households to 1.35 million². This is then set to rise further to almost 1.5 million by 2037. This suggests that the City Region will require more than 10,000 net additional homes each year to meet this forecast demand. The figure of 10,000 to 13,000 new homes per annum to 2036 is outlined in the SEP as a policy aspiration and is being planned for through adopted or emerging Local Plans.
- 2.10 This range of 10,000 to 13,000 homes as set out in the SEP was based on analysis of demographic scenarios at a strategic level. This analysis was undertaken by Edge Analytics. A range of alternative demographic scenarios for the LCR were produced using POPGROUP technology in which variant migration and household assumptions are applied.
- 2.11 The Edge Analytics outputs provide a strategic context for planned housing growth in the Leeds City Region, and as such, they establish the general scale of growth; however, the outputs do not represent housing need. The IIF takes planned growth by Leeds City Region Local Planning Authorities as the baseline from which to consider

² DCLG, 2016

infrastructure requirements. District Local Plans are supported by their own local evidence to support identified Objectively Assessed Needs³ and land provision targets.

- 2.12 Existing or emerging Local Plans in the City Region (at the time of publication of this paper) are collectively consistent with existing strategic demographic assumptions and SEP aspirations. Collectively the Leeds City Region Local Planning Authorities are planning for more than 10,000 net additional homes each year through adopted or emerging Local Plans.

3.0 Sensitivity Testing of Growth Position

- 3.1 Since the preparation of the 2016 Economic Assessment, there have been a number of significant events and policy shifts, including the UK EU Referendum and the recent US election that have the potential to have an impact on UK and global economic trends. There are also a number of updated forecasts that have been made available. Below is a brief overview of sensitivity testing that has been undertaken to ensure that our baseline relating to economic growth, as provided by the 2016 Economic Assessment, remains robust, as far as is possible.

National and global economic trends / outlook

- 3.2 Since the 2008/09 recession, UK GDP growth has been relatively muted although the UK's labour market has performed strongly. Employment levels have increased and unemployment has continued to reduce. However rising employment levels have not coincided with a significant increase in earnings, and at the same time levels of part-time and self-employment have increased. Inflation has been low, but has been rising in the past two quarters.
- 3.3 The period has seen unprecedented monetary policy including low interest rates and quantitative easing.

Global and national forecasts

- 3.4 Since the referendum result, most UK and international forecasts have suggested that a slowing of economic growth is likely, particularly in the shorter term as future trade arrangements are negotiated. Some of these have since been revised up as economic performance so far has defied expectations.
- 3.5 Recent forecasts produced by the Organisation for Economic Cooperation and Development (OECD), International Monetary Fund (IMF), Office for Budget Responsibility (OBR) and others are summarised here:
- The OECD have revised up their expectations for growth in advanced economies in the coming year. Their forecast for UK growth in 2017 has also been revised up to 1.2%, though this still represents a slowdown from their forecast of 2% growth in 2016.

³ Planning Practice Guidance provides details on the approach to assessing housing need

- The International Monetary Fund (IMF) recently raised its forecast for the UK's economic growth in 2017, following a better than expected economic performance since the Brexit vote. The IMF says it now expects the UK to grow by 1.5% this year, compared with the 1.1% it was previously forecasting. Its prediction that the global economy will grow by 3.4% in 2017, and 3.6% in 2018, is unchanged.
- The Office for Budget Responsibility's (OBR) most recent forecasts suggested that in the near term, as Brexit negotiations get under way, GDP growth will slow into 2017 as uncertainty leads firms to delay investment and as consumers are squeezed by higher import prices, thanks to the fall in the pound. But they do not assume that firms shed jobs more aggressively or that consumers increase precautionary saving, both of which are downside risks if the path to Brexit is bumpy. On the basis of these assumptions, their central forecast suggests:
 - The economy will grow more slowly than expected in the pre referendum forecasts, with GDP growth in 2017 revised down from 2.2 to 1.4 per cent and cumulative growth over the whole forecast revised down by 1.4 percentage points. A weaker outlook for investment and therefore productivity growth is the main cause.
 - Inflation is forecast to peak at 2.6 percent and unemployment to rise modestly to 5.5 per cent during 2018. Subdued earnings growth and higher inflation mean that real income growth stalls in 2017.

Local Forecasts

- 3.6 As described above the principal local economic forecasts in the Leeds City Region are produced by Experian through the Regional Economic Model (REM)⁴.
- 3.7 Initial modelling to consider the potential impact of the UK leaving Europe has been undertaken, there is considerable uncertainty in these forecasts, especially over the longer term. The assumptions are for slower growth in the coming few years, but for this to catch up and ultimately reach pre Brexit forecasts over the longer term i.e. broadly similar levels of employment. This could change if there were any future shocks (positive or negative) as a result of changes to trade agreements and immigration. The forecasts assume future (post-2019) trading relationships with the EU are broadly similar to current arrangements, if the reality is different that will impact the forecasts and different sectors will be affected in different ways.

Sensitivity testing conclusions

⁴ The REM has been used across Yorkshire and the Humber since 1998. Built by Experian, the forecasts are derived from a national macroeconomic forecast which is split by sectors and then regional and local geographies to produce local level forecasts. As well as baseline forecasts which are policy neutral (i.e. assume that policy will be as effective in the future as it has been in the past), it also allows the impact of policies to be modelled.

- 3.8 The current economic context and recent forecasts show a far from certain picture, which is to be expected given recent national and global events. These events came on top of a UK economic context which has been unprecedented since 2009. To date, the national UK economic context has been more stable than predicted before the June 2016 EU UK Referendum. This is reflected in many of the more positive forecasts.
- 3.9 Clearly, future impacts on factors such as poorer trading arrangements and changes to the supply of migrant labour could be expected to impact on the economy and produce wider negative effects, but to date these cannot be forecast with any confidence. As a result, the current evidence suggests that there is no reason to have less confidence in our current local economic forecasts, although clearly this will need careful monitoring and ongoing review in future.

4.0 Existing Alternative Economic Growth Scenarios (Third Parties)

- 4.1 It is noted that alternative economic growth scenarios are being produced by third parties, for example the Independent Economic Review Forecasts prepared by Transport for the North.
- 4.2 Forecasts are used for a variety of purposes including to inform the development of aspects of strategy, multi-year plans, and budgets. As well as understanding likely trajectories, forecasting models also allow scenarios to be modelled to show the difference that particular courses of action – including policies and investments – are likely to make in comparison to what is likely to happen anyway.
- 4.3 Whilst the ambitions of Transport for the North are supported and the evidence on which these are prepared is acknowledged, there are notable differences in the methodology used and outputs when compared with evidence base for the SEP. There are also differences in the overall purpose for these forecasts; in the case of the Independent Economic Review Forecasts the purpose is to demonstrate a policy position.
- 4.4 For the purposes of the IIF these scenarios are acknowledged as part of the document’s wider evidence base and context. Any potential sensitivities resulting from these scenarios, particularly where they significantly exceed the SEP assumptions, will be considered where they apply to thematic infrastructure areas. Alternative scenarios may also be considered by stakeholders, in framing their responses to the emerging Framework via the consultation stages.

5.0 Spatial Representation of Planned Growth

- 5.1 Section 2 of this paper notes that the SEP evidence base confirms the need for more than 10,000 new homes per year and that collectively (at the time of publication of this paper) adopted and emerging district local plans are planning for this quantum of development via each district’s housing target and subsequent land allocations process.

- 5.2 In terms of employment land provision the SEP evidence base confirms the need to plan for 35,700 net additional jobs above baseline job growth projections to 2036. Adopted or emerging Local Plans in the City Region (at the time of publication of this paper) are collectively consistent with SEP job growth aspirations. These Plans are supported by district Employment Land Reviews (ELRs) that identify the local requirements for new employment land.
- 5.3 The LCR Employment Land Review (2016) confirms that district ELRs are collectively consistent with City Region aspirations and that the current supply of employment land in the Leeds City Region (1140ha) is sufficient to meet growth requirements (based on both REM forecast job growth and taking into account past trends). The 2016 Review does however identify a number of known shortcomings in the current land supply including specialist provision for university spin off businesses, provision for advanced manufacturing and strategic sites for inward investment. The review also concludes that further investigation is required into the quality of the supply and infrastructure requirements in key cross boundary corridors such as M62, M1, M1/A1 to inform the next round of district Local Plans.
- 5.4 For the purposes of the IIF, and infrastructure planning generally, it is critical that the distribution and broad cumulative density of this growth is understood spatially and at a finer resolution than district-wide development targets. As this spatial picture of planned growth did not form part of the SEP evidence base the IIF will provide this spatial picture, presented as ‘hotspot maps’.
- 5.5 These ‘hotspot maps’ will be prepared in consultation with all Local Authorities in the Leeds City Region and will be built up from Local Plans and the development management process to provide the information required to illustrate planned growth spatially. To provide a comprehensive picture of growth there is a need to consider each district’s total land supply, comprising a mixture of; allocated sites, sites with ‘live’ planning approval and sites confirmed by district land availability appraisals as being suitable for development. The most appropriate data source(s) will differ for each local authority area to reflect each individual authority’s position in the Local Plan process and methodology for calculating land supply.
- 5.6 The maps presented in the IIF will be a representation of planned growth based on the most up to date information available from local authorities but will be subject to change through the local planning process and will therefore be kept under review.
- 5.7 The maps will assist in confirming the status of the City Region’s existing Spatial Priority Areas (SPAs) and highlight where expanded or new SPAs could be considered as part of a future SEP review.

6.0 Tools to Understand Constraints on Growth

Urban Dynamic Model findings

- 6.1 With regard to the local transport infrastructure there are tools that can be used when planning for and prioritising new infrastructure provision. The evidence and assessments (e.g. transport models) for district Local Plans and planning approvals consider the implications of local growth on the highway network. This ensures that all growth within local plans is acceptable in highway terms.
- 6.2 At the city region level, the LCR Urban Dynamic Model (UDM) is a model that simulates how an urban area or an entire region evolves over time, focusing especially on the interactions between:
- Transport (all modes)
 - Businesses & the local economy
 - Population
 - Land use
- 6.3 The UDM is primarily used to look at how transport investment can be used to help stimulate the local economy. This allows current transport and land use constraints and future considerations and options for investment to be better understood. The model works on the core assumption that as travel costs increase, places with high levels of congestion become less attractive due to increases in journey times and costs. The model can demonstrate how improving accessibility can reverse these issues and allow urban centres to create more jobs and growth.
- 6.4 The UDM is focussed on 367 zones across the LCR. These are made up of individual or groups of MSOAs⁵. The approach and primary tool used to develop the model is based on system dynamics - a modelling technique to frame, understand, and discuss complex issues. The time horizon of the model is flexible and will be set to 2036 for the purposes of the IIF. It is focussed primarily upon travel to work at morning peak time to capture the largest transport impacts.
- 6.5 The model takes the economic forecasts from the REM (set out earlier) and input from LCR districts about the expected scale of development in different zones. It then runs the model in two phases, the first phase being a 'policy off' scenario including an "unconstrained" run which holds transport costs constant, then a "constrained" run where transport costs are allowed to rise. This generates a loss of jobs and population based on the assumptions in the model.

⁵ Medium Layer Super Output Areas which contain circa 7,500 people

- 6.6 The resulting outputs from this modelling illustrate where the potential for jobs/ outputs and housing is currently not being realised, and the extent of this. It shows the total that is currently constrained according to the baseline.
- 6.7 The UDM can also be used as a 'policy on' tool to model the impact of known transport interventions, it can identify what proportion of the outputs (jobs and housing growth) become unconstrained with the delivery of these schemes.
- 6.8 The impact of new transport schemes identified by the Framework's consultation process will be considered using the UDM alongside other spatial evidence. Within the UDP these new transport schemes will be modelled in addition to the committed WY TF schemes and other LCR confirmed schemes within North Yorkshire and Barnsley.
- 6.9 The UDM outputs are only one of a range of tools that can be taken into account when planning for and prioritising new infrastructure provision. The outputs from the UDM will inform the contextual elements of the IIF and will be one of the range of tools used to frame and test any transport infrastructure delivery priorities that are identified by the Framework. The outputs from the UDM will also need to be considered alongside more detailed, location specific transport evidence developed for the plan making process.

Director: Rob Norreys, Director Policy,
Strategy & Communications
Author: Steve Heckley



ITEM 9

Report to: Combined Authority
Date: 6 April 2017
Subject: West Yorkshire Low Emission Strategy Adoption

Purpose

1.1. To consider whether WYCA should adopt the West Yorkshire Low Emission Strategy.

2. Information

- 2.1 The five West Yorkshire District Councils have collaborated to develop a West Yorkshire Low Emissions Strategy (WYLES) to reduce harmful emissions from transport and other sources which impact on health and the environment. Public Health England and WYCA provided technical input.
- 2.2 Having good air quality is important to protect public health. West Yorkshire's urban areas have some of the highest levels of air pollution in the UK. It is estimated that 1 in 20 deaths in West Yorkshire are attributable to air pollution. Nitrogen Dioxide (NO₂) and fine particulate matter (PM) are the pollutants of greatest concern. Diesel cars are the largest source of emissions, but buses, trains, taxis and goods vehicles contribute. Transport also accounts for a significant proportion of carbon emissions. Reducing carbon emissions is necessary to combat climate change and the disruptive impact of extreme weather.
- 2.3 Local Authorities have the statutory duty to manage air quality. Focus on air quality was heightened by the 2016 publication of the DEFRA Plan for Improving Air Quality in the UK, setting out how the UK Government would meet European Commission directives. The DEFRA plan provides a framework for Clean Air Zones (CAZ) to use traffic regulation powers to control vehicle emissions in areas where air quality limits are exceeded, and included a specific requirement for a CAZ to be implemented within Leeds to meet air quality limits by 2020. An updated DEFRA Air Quality Plan will be published in April 2017. Early indications are that CAZs will continue to be a key theme and that mandatory CAZs may be required in more towns and cities.
- 2.4 A joint West Yorkshire strategy to tackle air quality was considered appropriate given the cross-boundary nature of traffic movements and shared nature of transport emission problems and possible actions.

2.5 The WYLES is a high level strategy document covering five years from 2016-21. It is largely concerned with transport and sets out the case for intervention and provides a framework of objectives and recommendations to shape policy and actions by all West Yorkshire authorities to tackle harmful pollutants.

2.6 The WYLES document is published at:

<http://www.westyorks-ca.gov.uk/WorkArea/DownloadAsset.aspx?id=4294970731>

Recommended initiatives are made in respect of Passenger cars, Clean Air Zones, Bus and Rail, Freight, Taxis and Public Fleets (- summarised on p48, and set out in more detail in p49–64 of the document). The WYLES does not provide a detailed action plan, prioritise actions or identify funding. The WYLES aims that all of West Yorkshire meets air quality limits set out in law by 2020, but does not set specific emission targets for geographic areas or transport modes (with the exception of buses - provided by WYCA in consultation with the bus industry).

2.7 The WYLES was subject to a six week public consultation exercise by the West Yorkshire District Councils and then adopted by each District Council in late 2016.

2.8 WYCA through its role as the Local Transport Authority and its development of transport policy and strategy and delivery of programmes and operations is already active in WYLES recommended areas, and could assist the District Councils by taking a proactive role, leading the further development of Low Emission policy and strategy and coordinating the delivery of actions.

2.9 The Transport Committee meeting on 22 February 2017 endorsed the WYLES with a recommendation for formal adoption by WYCA. Transport Committee agreed that WYCA should work with the District Councils to jointly develop an Action Plan for delivery of the WYLES and to hold a workshop session with Transport Committee and Portfolio Holders to provide input on actions and priorities. Transport Committee highlighted the need to engage with industry partners including Highways England in respect of road proposals and the mitigation of impacts. It is expected that the development of a detailed Action Plan will take 3 months to complete.

3. Financial Implications

3.1. The West Yorkshire District Councils identified the WYLES as being delivered through targeted use of existing resources.

3.2. Provision has been made by WYCA within the West Yorkshire Transport Strategy Implementation Plan for capital funding in 2017-18 and 2018-19 to deliver a number of initiatives that support WYLES recommendations.

4. Legal Implications

- 4.1. The statutory duty to manage air quality sits with West Yorkshire District Councils and a number of the tools and powers identified in the DEFRA Air Quality Action Plan are within the remit of those authorities, but WYCA, as the Local Transport Authority could be expected to assist District Councils by leading on some and supporting delivery of other WYLES recommendations.
- 4.2. Some UK air quality legislation is derived from European legislation. The result of the Referendum on EU membership and resultant changes in legislation are unclear at this time, but the government has clarified that leaving the EU will not change their ambition to tackle air quality.

5. Staffing Implications

- 5.1. The West Yorkshire District Councils have not allocated additional staff resources to progress delivery of the WYLES. The delivery of currently identified projects can be supported by existing staff resources, but enhanced coordination of WYLES delivery at a West Yorkshire level or accelerated delivery, including influencing delivery partners, could be anticipated to require increases in staff requirements. Work to jointly develop a detailed Action Plan will identify staffing requirements.

6. Consultees

- 6.1. WYCA and Transport Committee members will have been consulted on the WYLES through their own District approval processes.
- 6.2. The WYLES was reported to the LEP Board meeting of 21 March 2017.

7. Recommendations

- 7.1. That WYCA adopts the West Yorkshire Low Emission Strategy.
- 7.2. That WYCA works with West Yorkshire District Councils, transport industry partners and stakeholders to jointly develop a detailed Action Plan for delivery of the WYLES.

8. Background Documents

- 8.1. West Yorkshire Low Emission Strategy – available at <http://www.westyorks-ca.gov.uk/WorkArea/DownloadAsset.aspx?id=4294970731>

Director: Rob Norreys, Director Policy,
Strategy & Communications
Authors: Colin Blackburn/Vicky Dumbrell



ITEM 10

Report to: Combined Authority

Date: 6 April 2017

Subject: Better Homes – ECO Flexible Eligibility and Wakefield Affordable Warmth Charter

1. Purpose

- 1.1. To approve the proposed Leeds City Region Flexible Eligibility ECO policy approach and criteria for funding. This has been developed in response to the Government's forthcoming Flexible Eligibility policy, within the national Energy Company Obligation (ECO) regulations.
- 1.2. To approve the proposal that WYCA pledge support to the Wakefield Affordable Warmth Charter.

2. Background

- 2.1. The Leeds City Region has around 140,000 fuel poor households, which represents an average fuel poverty rate of 10.8%, compared to 10.4% nationally. At Local Authority level the indicator shows a range of fuel poverty rates from 7% in Selby to over 14% in Bradford.
- 2.2. Priority 3 of the Leeds City Region Strategic Economic Plan (Clean Energy and Environmental Resilience) sets out a long term ambition to become a resilient zero carbon energy economy underpinned by high quality infrastructure. Priority 3 particularly emphasises the ambition to:
 - Deliver improvements that make homes across the Leeds City Region warmer and reduce fuel poverty;
 - Develop partnership and funding models with the health sector to deliver collaborative interventions that reduce extreme cold and damp and improve health.
- 2.3. Year one of the Programme (2015/16) delivered energy efficiency measures to **1,733 homes**, with an **investment value of £7.7m**. To date, Year 2 (2016/17) has delivered

£1.6m investment and improved **733 homes** with a range of energy efficiency and heating improvements.

- 2.4. 50% of the contract value in year one has been delivered by supply chain partners (SMEs) located within the Leeds City Region, and a further 44% has been delivered by contractors just outside the City Region based in Rotherham, Sheffield and Doncaster. In total **35 SME sub-contractors** were awarded work through the programme and **204 jobs** were sustained during 2015/16. To date, 45% of the Year 2 contract value has been delivered by contractors located in the Leeds City Region, and a further 52% by contractors employing Leeds City Region residents; **98 jobs** are being sustained.
- 2.5. Green Deal Communities (GDC) funding was secured from Government and the programme has now been completed. This city region wide programme commenced in 2014, led by Leeds City Council. Phases 2 and 3 have been delivered by Better Homes Yorkshire. In total **1,246 homes** have received measures through the programme, with GDC funding of **£4.9m invested**.
- 2.6. A Central Heating Fund (CHF) programme comprising over **£1.76m¹** is now complete. This city region wide programme commenced in 2015 and has involved WYCA, all ten city region Local Authorities, and three Housing Associations². Central heating systems, and often a gas connection, will have been provided to **445³** fuel poor households, with no existing central heating.
- 2.7. WYCA approved a Leeds City Region Tackling Fuel Poverty Programme, and projects, to be delivered through the Better Homes Yorkshire programme during 2016. Projects have already commenced in Bradford, Barnsley, Craven, Harrogate, Selby, York, Leeds and Wakefield. The next phase of projects is currently being worked up by Kirklees and Calderdale.

3. Wakefield Affordable Warmth Charter Mark

- 3.1. Wakefield launched their Affordable Warmth Partnership Charter in October 2016, and have now joined the Better Homes Yorkshire programme, following the ending of their previous energy efficiency contract. This is to be welcomed, as all city region districts are now signed up to the WYCA contract.
- 3.2. The Wakefield Affordable Warmth Partnership Charter has been developed by Wakefield Council to facilitate, and get a shared commitment to, improving energy efficiency and tackling fuel poverty in Wakefield. Partners are invited to make a pledge through the Charter, and approval is sought for WYCA to pledge support to this initiative.
- 3.3. WYCA is already engaged through the Better Homes programme in supporting these ambitions and will continue to do so, and the Charter reflects WYCA's policy approach

¹ Government grant secured by WYCA on behalf of partners

² Yorkshire Housing, Kirklees Community Association, Leeds Jewish Housing Association

³ 291 have been delivered through Better Homes contracts

to addressing fuel poverty, established in 2016. Formally pledging support would not commit WYCA to any further resources or investments.

4. Energy Company Obligation (ECO) – ‘Flexible Eligibility’

- 4.1. The Government is introducing the Flexible Eligibility policy initiative within the 2017/18 Energy Company Obligation regulations. This will allow energy suppliers to achieve up to 10% of their Affordable Warmth ECO target, in households identified by local authorities as fuel poor. This is to be known as ‘Flexible Eligibility’.
- 4.2. ECO regulations require energy suppliers to achieve carbon savings in domestic properties, with a focus on those who are fuel poor. Eligibility for Affordable Warmth funding (70% of the overall target) is set nationally, and is based on whether certain benefits are claimed. This definition of fuel poverty excludes many households who are fuel poor, and also does not take into account local needs and priorities. Flexible Eligibility will provide greater local control, as Local Authorities can determine their own proxies, and criteria, for fuel poverty in line with their strategic priorities, and the priorities of WYCA around achieving Good Growth.
- 4.3. Suppliers can achieve their ECO targets through the provision of funding for energy efficiency and heating measures in households. Currently, ECO funding is secured from energy suppliers, and administered, by the Better Homes contractors. The funding provides a small top up to the cost of measures. This arrangement will continue in relation to ECO secured via Flexible Eligibility. A key aim will be to secure funding to offset a small amount of Local Growth Fund investment, within the Tackling Fuel Poverty Programme, to stretch LGF resources and extend the existing schemes. The Better Homes programme is the only Council backed energy efficiency offer within the City Region, and therefore Flexible Eligibility will be delivered through this Programme.
- 4.4. The progress of the Better Homes programme is reported to the Green Economy Panel, going forward this will include progress in regard to ECO funding secured through Flexible Eligibility.
- 4.5. ECO is mandatory for the big 6 suppliers, however Flexible Eligibility will be voluntary, and there will be no mandate on suppliers, or local authorities to use this form of eligibility. Should they opt to implement Flexible Eligibility, Local Authorities will be required to publish a ‘Statement of Intent’ setting out how they intend to use the Flexible Eligibility provision, and how they will target vulnerable and fuel poor households through a set of criteria. Publishing a Statement of Intent will be a pre-requisite to securing funding.
- 4.6. Although the target is limited in ambition (10% of the Affordable Warmth ECO target) the initiative is to be welcomed as a step towards increased local control over tackling fuel poverty and improving domestic energy efficiency. There is potential for further enhancement of this policy through the devolution agenda.

4.7. The Better Homes Programme Board has recommended a City Region wide consistent policy approach is developed and adopted by WYCA and all local authorities in response to Flexible Eligibility. To develop the policy approach, the Programme Board has developed the following principles:

- i) Eligibility criteria are to be as streamlined, and simple, as possible.
- ii) Focus on attracting ECO funding to support Local Growth Fund schemes.
- iii) Early engagement with energy suppliers.
- iv) Early engagement with local Members and partners.
- v) Eligibility via 2 routes: (1) Geographical areas based on deprived communities; and (2) Eligibility for funding due to individual circumstances (based on criteria developed and refined already for the Central Heating Fund programme).

4.8. The Programme Board has developed a proposed Leeds City Region policy approach and criteria for funding based on the principles outlined above, this is contained in **Appendix 1**; this will inform the local 'Statements of Intent' which across the City Region. This approach and criteria are supported by the Green Economy Panel and WYCA Managing Director.

4.9. All City Region authorities are seeking to adopt this proposed policy approach.

5. Financial Implications

5.1 There are no specific financial implications arising from this report. However, the adoption of ECO Flexible Eligibility will facilitate access to ECO funding, on behalf of vulnerable and fuel poor households across the City Region.

5.2 Activity to continue to deliver the Better Homes Programme is part of the core activity of the WYCA Infrastructure and Investment Team within Economic Policy.

6. Legal Implications

6.1 There are no specific legal implications arising from this report.

7. Staffing Implications

7.1 There are no specific staffing implications arising from this report. Activity to continue to deliver the Better Homes Programme is part of the core activity of the WYCA Infrastructure and Investment Team within Economic Policy.

8. Recommendations

8.1 That the announcement that City of Wakefield Council has joined the Better Homes Yorkshire programme be welcomed.

- 8.2 That the proposal for WYCA to pledge support to the Wakefield Affordable Warmth Charter be endorsed.
- 8.3 That the proposed City Region wide policy approach and criteria for funding, set out in Appendix 1, to facilitate access to ECO through the forthcoming Flexible Eligibility initiative be endorsed, and noted that each district will also need to publish their own Statement of Intent, as a pre-requisite to securing funding.

DRAFT LCR Flexible Eligibility Policy

The Better Homes Yorkshire programme is the only Council backed energy efficiency and heating offer within the Leeds City Region. All measures receiving ECO subsidy through Flexible Eligibility must be delivered through the Better Homes Yorkshire programme. All private tenure households, within the geographic boundary of the Leeds City Region, will qualify for funding through the ECO Flexible Eligibility if the following criteria are met:

Route 1 – area based

1. Household located within Lower Super Output Areas with an Index of Multiple Deprivation score of less than 15%; or
2. Household located within an area defined by the Local Authority as a priority area for action.

Route 2 – individual circumstances (Low Income High Cost test)

Households will be considered at risk of fuel poverty if they are determined to be a Low Income household, living in a High Cost home in relation to energy use. Households to meet Stage 1 (Low Income) criteria and one of the Stage 2 (High Cost) criteria.

Stage 1 (Low Income)	Criteria
Low Income	Gross household income of <£21,000

Stage 2 (High Cost)	Criteria
a) High Cost	Property EPC rating of E, F or G
b) High Cost	Property EPC rating of D; and - x1 characteristics of Fuel Poverty*
c) High Cost and Health Condition made worse by cold	Property EPC rating of D; and - Health condition made worse by cold: Chronic respiratory, cardio vascular, or musculoskeletal illness, or mental health condition.

*Characteristic of Fuel Poverty (Based on March 2015 Govt Fuel Poverty Strategy)	Criteria
Mainly families	Child under 16 resident in the household
Vulnerable Elderly	Over age 70
Living in a hard to treat home	Property has solid walls, non standard cavity walls, system built walls, is off the gas network, or has no loft.

Director: Director of Resources / Director
Policy, Strategy & Communications
Author: David Walmsley



ITEM 11

Report to: Combined Authority

Date: 6 April 2017

Subject: LCR Enterprise Zones Programme

1. Purpose

1.1 This report sets out:

- The policy background to our successful bids to Government for Phase 1 and 2 Enterprise Zones (EZs);
- Proposals to enhance EZ governance arrangements;
- The principles underpinning the management of retained business rates to allow the LEP/WYCA to deliver its leadership of delivery of the LCR EZs programme in line with the policy intent outlined in this report

1.2 The report also outlines the emerging LCR EZs Strategy and Implementation Plan, and sets out a process for its development, approval and submission to DCLG/BEIS.

2. Information

2.1 Policy Background

2.1.1 Since 2011, EZs have been central to the Government's local growth delivery, aimed at unlocking challenging or stalled sites for employment and using occupier incentives (such as a 5 year Business Rate Discount or Enhanced Capital Allowances) and simplified planning to support accelerated delivery. In addition, the EZ status provides for business rates growth within EZs for 25 years from designation to be retained by the LEP and reinvested in the area, with the intention that this future income can be used as part of the investment package to support site remediation and provision of infrastructure to accelerate or unlock delivery of sites and employment floorspace. There are now 44 EZs in England.

2.1.2 The LCR EZs programme comprises 10 sites, this includes the Phase 1 Leeds (Aire Valley) EZ (already well established) and 9 new sites in the Phase 2 LCR EZs along the 'M62 Corridor' in Bradford, Calderdale, Kirklees and Wakefield. There is also an EZ at

York Central which is being dealt with by YNYER LEP and City of York Council. York Central is also designated as a Spatial Priority Area within the LCR SEP, so it is consistent with our strategic objectives. The Phase 1 Leeds (Aire Valley) EZ is already well developed and partially occupied, with arrangements in principle in place between Leeds City Council and the LEP in relation to the retained business rates flowing from the site. The EZ programme is an essential component of SEP delivery supporting all of its four priorities.

- 2.1.3 The Phase 2 LCR M62 EZ comprising 9 sites in Bradford, Calderdale, Kirklees and Wakefield (see **Appendix 1**) was announced In November 2015. In line with arrangements for the Leeds EZ and as set out in the application for the multi-site Phase 2 LCR EZ, the business rate growth will be retained by the LEP/WYCA for a period of 25 years to support delivery of the sites and wider economic policy priorities.
- 2.1.4 The high level outputs for the multi-site LCR M62 EZ (Phase 2) are estimated to be:
- Approximately 90 hectares of employment land;
 - £1,178bn GVA Output (2016-20)
 - Land value uplift of £21m;
 - 280,000 sq.m of manufacturing floor space;
 - 6,300 new jobs; and
 - Over 100 new or expanded businesses.

2.2 Finances

- 2.2.1 Government has been clear in its intention in establishing EZs that the use of the increased business rates arising are for the LEP to determine. As stated above, it has previously been established that these business rates in relation to the Leeds (Aire Valley) EZ accrue to WYCA, as the accountable body for the LEP, and form part of WYCA's annual budget. The specific mechanics of the transfer of rates from the rating authority to WYCA require a further degree of formalisation. Further clarity is also needed for the work of the LCR EZs Strategic Oversight Board and how it relates to the LEP Board, (see below).
- 2.2.2 It is assumed that the arrangements in place for the Leeds (Aire Valley) EZ, following the review and formalisation set out above, will be replicated for the multi-site LCR M62 EZ (Phase 2) coming on line from 1st April this year.
- 2.2.3 Additionally funding has been secured through the Growth Deal for advance works on the LCR M62 EZ (Phase 2) sites and for a power solution on the Leeds (Aire Valley) EZ site. Approval to spend these funds on specific schemes is being progressed through WYCA's assurance framework. It is likely that further funding will be sought at a later date in order to progress other advance works to unlock further potential on the sites.

2.3 Governance

2.3.1 To progress the designation of the LCR M62 EZ (Phase 2), the DCLG have mandated a Memorandum of Understanding (MoU) between the DCLG and each of the relevant local authorities (including WYCA as accountable body for the LEP). This has been signed by the relevant local authorities and by WYCA following endorsement by the LEP Board on 19 July 2016. The MoU was signed by Andrew Percy MP (Minister for the Northern Powerhouse) on 15 March 2017. The MoU confirms that 100% of EZ business rates increases for 25 years are retained locally, provided that such sums are directed towards EZ development or the LEP's other identified economic growth priorities.

2.3.2 Key terms that the MoU requires include:

- The district authorities and WYCA/LEP organise an **EZ governance group** (with representatives from each authority) to make strategic and operational decisions,
- WYCA in consultation with relevant authorities submit a **5 year implementation plan**,
- The district authorities and WYCA/LEP share a **marketing plan** with the DCLG, and
- The district authorities and WYCA/LEP submit **monitoring information** to the DCLG.

2.3.3 The MoU also requires each district authority to enter into an agreement with WYCA (as accountable body for the LEP):

- setting out **agreed objectives and priorities** for the Phase 2 LCR M62 EZ, and
- provisions covering the **use of retained business rates**
- how authorities will **support the EZ** e.g. CPOs, Local Development Orders etc.

2.3.4 The Director of Resources now proposes to progress these agreements, including a provision specifying that the retained business rates increases will accrue to WYCA as accountable body for the LEP.

2.3.5 In relation to governance arrangements, it is proposed to clarify that decision-making relating to EZs is the responsibility of WYCA and/or the LEP, as appropriate. The current LCR EZ 'Strategic Oversight Board' (SOB) appointed in July 2016 is an officer working group chaired by the LEP Chair and attended by key senior officers responsible for EZ sites within each EZ district. As such, it is advisory, not decision-making. It is proposed that the SOB should now focus on operational delivery issues, and that, to increase Members' opportunity to input into EZ matters, the SOB should report into the Strategic Land and Assets Board.

2.3.6 It is also proposed that the required EZ Governance group is in effect the WYCA and LEP Boards, functioning as follows:

- overall policy development for EZ sites is determined by the LEP Board, to be endorsed by WYCA, and
- operational advice on the development of EZ sites is developed by the EZ Strategic Oversight Board, reporting into the Strategic Land and Assets Board, (in turn reporting into WYCA/LEP).

2.3.7 It is proposed that in addition to meeting the MoU requirements for a 5 year Implementation Plan and marketing plan, wider issues and opportunities are considered to address other EZ programme requirements. The proposed approach is to develop an overarching LCR EZs Strategy and Implementation Plan and extending the scope of the Plan to cover all 10 EZ sites under the responsibility of WYCA rather than just the 9 Phase 2 EZ sites. The Plan will be a public facing document aimed at stakeholders, investors and landowners. It will provide a single strategy, marketing and implementation document for the programme whilst also satisfying DCLG's requirements. When finalised it will form one of a suite of Delivery Plans for the SEP.

2.3.8 To achieve this, WYCA are asked to note the preparation of the draft LCR EZs Strategy and Implementation Plan. It is proposed that the Plan is developed in consultation with districts, subject to WYCA approval of the proposed approach to business rates and investment strategy. It is also proposed that approval of the final Plan is delegated to the Managing Director in consultation with the Chair of WYCA and the LEP Chair, (with a view to this being approved in April/May 2017).

3. Financial Implications

3.1 These are set out in paragraph 2.2 of this report.

4. Legal Implications

4.1 The agreements proposed between WYCA and districts will formalise the required arrangements relating to the use of the increase in business rates. The revised governance arrangements comply with the requirements of the Memorandum of Understanding.

4.2 There will also be a need to formalise the arrangements (via appropriate legal instruments) between WYCA and applicable developers/landowners where capital funding is being offered to support EZ site delivery.

5. Staffing Implications

5.1 None arise in respect of this report.

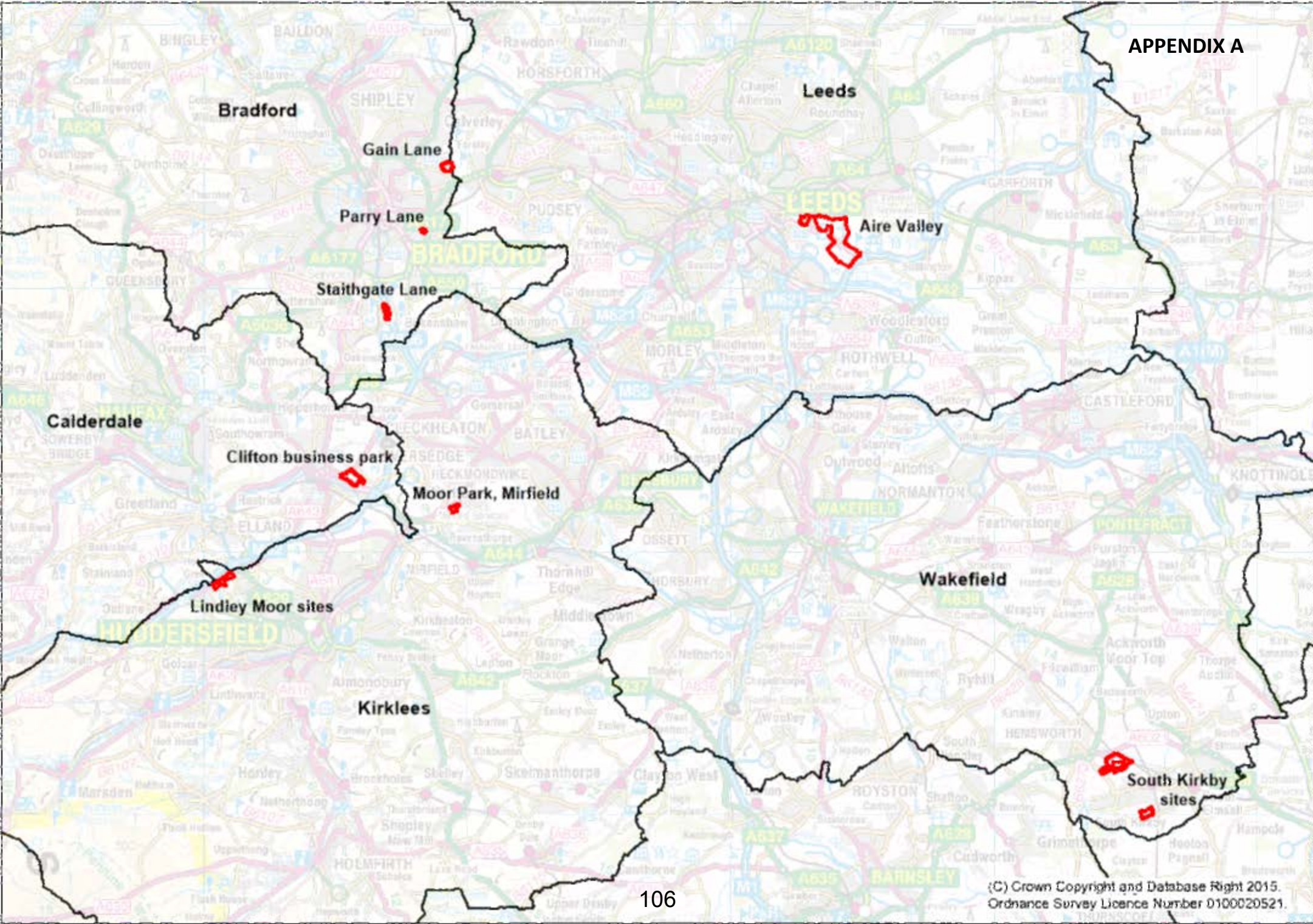
6. Recommendations

6.1 That the policy background to our successful bids to Government for Phase 1 and 2 EZs be noted.

- 6.2 That the proposals set out in this report to clarify governance arrangements for decision-making in relation to the EZs be agreed.
- 6.3 That the principles underpinning the management of retained business rates to the LEP/WYCA be approved and the Head of Legal and Democratic Services be asked to progress an agreement between each relevant district authority and WYCA as set out in the report.
- 6.4 That WYCA note the preparation of the draft LCR EZs Strategy and Implementation Plan, and delegate authority to the Managing Director to develop the Implementation Plan element of the document in consultation with districts, and approve the finalised Strategy and Implementation Plan in consultation with the Chair of WYCA and the LEP Chair.

7. Background Documents

- 7.1 None.



Director: Sue Cooke, Executive Head of Economic Services
Author: Michelle Burton



ITEM 12

Report to: Combined Authority

Date: 6 April 2017

Subject: Better Skills Outcomes - Delivery Agreements With West Yorkshire Colleges

1. Purpose

- 1.1 To provide WYCA with an update on the progress of activity to develop delivery agreements with FE colleges in West Yorkshire in order to influence the alignment of activity – including that funded through the Adult Education Budget – with the ambitions set out in the Leeds City Region Employment and Skills Plan.

2. Information

Delivery agreements

- 2.1 Since the beginning of 2017, work has been carried out to develop delivery agreements with West Yorkshire colleges based on “provider profiles” for each college, considering adult apprenticeships, 16-18 apprenticeships and traineeships, advanced learner loans and bursaries, the Apprenticeship Grant for Employers and commercial income. This work is a crucial step to taking on a “commissioning” role that would be required if the Adult Education Budget is fully devolved in future.
- 2.2 Colleges have taken a positive and proactive approach to developing collaborative agreements which builds on the strong relationships already in place between WYCA, the Leeds City Region Enterprise Partnership and the FE sector. These jointly owned delivery agreements will articulate how institutions can better meet local economic priorities, and metrics to evidence progress, thus linking the Employment and Skills Plan priorities more directly with FE provision. The intention is to publish these agreements in April, subject to approval of the Employment and Skills Panel and WYCA, of the framework attached as **Appendix 1**. A detailed technical note has been developed with colleges, to ensure that each institution is reporting the data in the same way.
- 2.3 A delivery agreement will be published for each of the seven FE colleges in West Yorkshire, demonstrating their current position against standard metrics and setting

out aspirations as well as actions for the college to achieve these aspirations. The design of the delivery agreements will be consistent with the Employment and Skills Plan, demonstrating clearly that the purpose of each agreement is to show how each college will contribute to the plan. A commentary will be published alongside the agreement from each college, setting out more detail about the current position and plans for the future, in the institution's own words. The Employment and Skills officers group will be used to consult with Local Authorities about the delivery agreements for colleges in their area. The Employment and Skills panel will have oversight of the final agreements and their monitoring.

- 2.4 The intention is that delivery agreements will be updated annually with quarterly performance meetings to track progress towards the actions and aspirations set out in the delivery agreements. We are also keen to understand more about how the Adult Education Budget is used in communities and about other major providers in Leeds City Region (the biggest are Learn Direct and Manchester College). This work will be crucial in readiness for full devolution of the Adult Education Budget.

3. Financial Implications

- 3.1 There are no immediate financial implications for WYCA although this work is a crucial step to taking on a "commissioning" role that would be required if the Adult Education Budget is fully devolved in future. If this is achieved, there will be a requirement to establish a delivery team.

4. Legal Implications

- 4.1 The delivery agreements are not legal agreements.

5. Staffing Implications

- 5.1 None as a result of this report.

6. External Consultees

- 6.1 None.

7. Recommendations

- 7.1 To note the progress of the joint work with West Yorkshire colleges, comment on and approve the draft delivery agreement framework.
- 7.2 To agree that the Employment and Skills Panel will oversee this workstream with delegation to the Managing Director of WYCA where required.

8. Background Documents

- 8.1 None.

Delivery agreement framework

This agreement between [COLLEGE NAME], the West Yorkshire Combined Authority and the Leeds City Region Enterprise Partnership, sets out how the College will contribute to the achievement of our shared aspirations for the city region.

Aspirations

The tables below sets out the aspirations of the college against a range of measures relating to the Leeds City Region Employment and Skills Plan priorities.

Raising the bar on high level skills	2015/16	2016/17	2017/18	2018/19	2019/20
Higher level starts					
More and better apprenticeships	2015/16				
Apprenticeship starts					
Great education connected to business	2015/16				
Proportion of full time courses with a work experience element					
% of employers who would recommend college to another employer					
Building workforce skills and attracting talent	2015/16				
Income from apprenticeships					
% of learners that would recommend the college/training organisation to their friends or family					
Employability, accessing jobs and realising potential	2013/14				
Sustained positive destination rate*					
Sustained positive destination rate - Skills Provision*					
Priority skills	2015/16				
Proportion of total apprenticeship starts in priority skill subjects					
Proportion of total non-apprenticeship starts in priority skill subjects*					
Infrastructure / construction / allied skills - apprenticeship starts*					
Infrastructure / construction / allied skills – non apprenticeship starts*					
Engineering and manufacturing - apprenticeship starts*					
Engineering and manufacturing - non-apprenticeship starts*					
Digital - apprenticeship starts*					

Digital - non-apprenticeship starts*					
Health and care - apprenticeship starts*					
Health and care - non-apprenticeship starts*					

*4 year aspirations have been set for these indicators to allow supply-side activity to have an impact on behaviour.

College actions

To bring these aspirations about [name of college] commits to carry out the following actions: [list to be included]

Director: Rob Norreys, Director Policy,
Strategy & Communications
Author: Heather Waddington



ITEM 13

Report to: Combined Authority

Date: 6 April 2017

Subject: European Structural and Investment Funds (ESIF) - Sustainable Urban Development (SUD) update

Purpose

1.1 This report asks WYCA to:

- note the content of the report and provide comments; and
- agree the outline shape of a Call under SUD as described in paragraph 4.

2. Background

2.1 As part of the EU regulations governing the European Structural and Investment Funds (ESIF), a minimum of 5% of the European Regional Development Fund (ERDF) earmarked for the UK as a whole must be allocated in support of Sustainable Urban Development (SUD) strategies. SUD strategies are intended to set out integrated actions to tackle the variety of challenges affecting urban areas in an environmentally sustainable fashion.

2.2 WYCA agreed in July 2015 to be the 'Urban Authority' (UA) and take on Intermediate Body (IB) status to be able to receive delegated authority from government for a 'Sustainable Urban Development' strategy, which was submitted in autumn 2015. At the September 2016 meeting WYCA agreed to delegate authority to Ben Still, Managing Director, to finalise and agree, in conjunction with the Head of Legal and Democratic Services, the Legal Agreement with DCLG for WYCA to act as an IB for the funds and commence operations as required.

3. Progress to date

3.1 DCLG Director, European Programmes and Local Growth wrote to WYCA on 6 February 2017 confirming IB status for WYCA on the basis of an 'IB pack' submitted to Government in January 2016. The IB pack aims to demonstrate to Government

that an appropriate management and environment is in place to ensure compliance with the EU Regulations. The three elements SUD will focus on are site infrastructure, flood remediation and green infrastructure to develop ecologically sound and resilient site development, especially in key economic growth sites with a priority to be given to SEP Spatial Priority Areas, as shown in the table below.

ESIF Strategic Action	PA	€ (million)	Specific Objectives	Proposed outputs
SME Competiveness – investment in strategic sites	3	€ 7,041,000	<ul style="list-style-type: none"> To increase the growth capacity of SMEs 	<ul style="list-style-type: none"> Public or commercial buildings built or renovated (P2) – 120m²
Economic development through investment in flood risk management linked to the development of our strategic employment sites	5	€ 5,868,000	<ul style="list-style-type: none"> Enabling and protecting economic development potential through investment in flooding management where there is demonstrable market failure. 	<ul style="list-style-type: none"> Employment increase in supported enterprises (CO08) – 460 FTEs Businesses and properties with reduced flood risk (P6) - 800
Green Infrastructure linked to the development of our strategic employment sites	6	€ 7,041,000	<ul style="list-style-type: none"> Investments in Green infrastructure and actions that support the provision of ecosystem services on which businesses and communities depend to increase local natural capital and support sustainable economic growth 	<ul style="list-style-type: none"> Surface area of habitats supported to attain a better conservation (CO23) – 6 Hectares Total surface area of rehabilitated land (CO22) – 14 Hectares
		€ 19,950,000		

- 3.2 A Memorandum of Understanding attached as **Annex 1**, based on the outlined WYCA SUD Operating Protocol and Conflicts of Interest procedure (included in the IB pack), has now been signed with DCLG and operations are now commencing by progressing the development of the Call with DCLG, which will allow applicants to apply for the funds.
- 3.3 DCLG are expecting to attend any future WYCA and Investment Committee meetings where SUD is being discussed and may contribute in an advisory capacity at the discretion of the Chair.
- 3.4 A presentation was provided to the Investment Committee on 8 March 2017 outlining how SUD will work and sought early views on the shape of the Call. The

Investment Committee were keen to see the work progress so the money can be spent on projects which will support the ESIF Strategy and Strategic Economic Plan (SEP) ambitions.

4. Developing the SUD Call

- 4.1 The SUD Strategy set out how it will use the SUD allocation of between approximately £15-17m (dependent on exchange rate fluctuations), to support projects which will focus on environmentally sound and resilient site development, to unlock economic growth sites to support SMEs in the City Region. Please refer to table at 3.1.
- 4.2 The Call will now be developed with DCLG – the shape of which is proposed as follows based on the table at 3.1:
- Estimated July 2017 publication (draft to be presented to the CA at the 29th June meeting for sign off) for outline applications.
 - Focus on ecologically sound and resilient site development, especially in key economic growth sites with a priority to be given to SEP Spatial Priority Areas (SPAs).
 - The Call, due to delays which followed the EU Referendum, to be published for the full SUD allocation of £15,561,000 (using current exchange rates as notified by HMT) which represents the ERDF Grant (50%). The £15m is split over three of the ERDF Priority Axes - site infrastructure, flooding and green infrastructure.
 - Preference will be to support those applications which address two or three of the Priority Axes and are fully integrated.
 - To be matched with a further 50% by applicants.
 - Minimum size of a project is £1m total cost (£500K grant) (*this is set nationally*).
 - Outputs as set out in the SUD Strategy are as follows:
 - Public or commercial buildings built or renovated (P2) – 120m²
 - Employment increase in supported enterprises (CO08) – 460 FTEs
 - Businesses and properties with reduced flood risk (P6) - 800
 - Surface area of habitats supported to attain a better conservation (CO23) – 6 Hectares
 - Total surface area of rehabilitated land (CO22) – 14 Hectares
 - Strong VFM and strong alignment with domestic priorities required.

5. Financial Implications

- 5.1 This report represents decision making powers over part of the ESIF programme under SUD which will provide project grant funding of €19.5m (£15.5 - £17m dependant on exchange rate). This funding will be available for partners including WYCA to bid for to support key projects to support the delivery of the ESIF Strategy and the SEP. DCLG, as Managing Authority for the funds, are responsible for the issuing of Funding Agreements, paying projects and general contract management.

6. Legal Implications

6.1 DCLG issued the legal agreement in the form of a Memorandum of Understanding to WYCA on the 6 February 2017. This has now been signed on the basis of the protocol outlined in Annex 1.

7. Staffing Implications

7.1 Staffing is already in place to undertake the work required under SUD as part of the development and implementation of the wider ESIF Programme.

8. Consultees

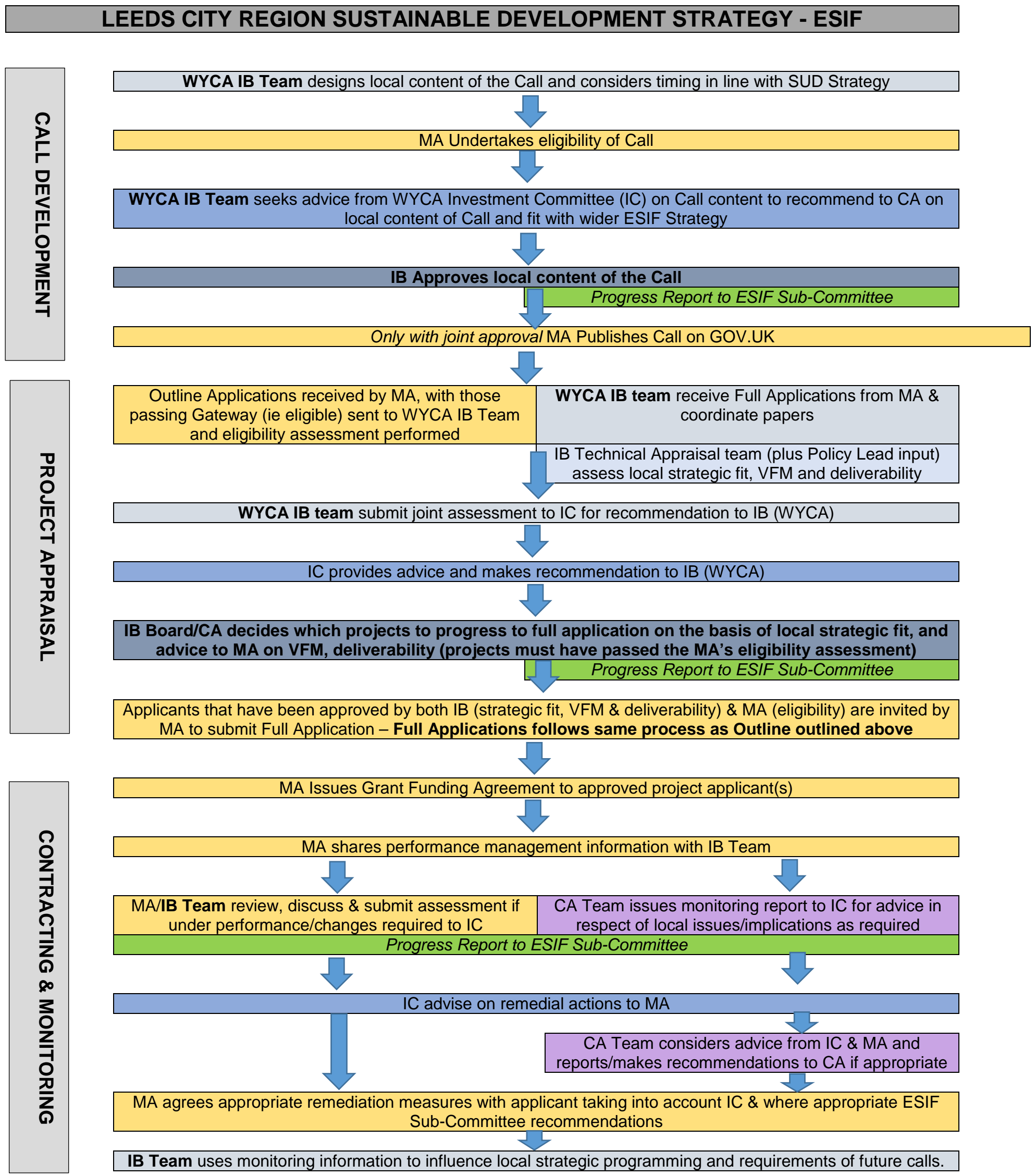
8.1 The WYCA Investment Committee have been consulted in preparing this paper, with advice sought from DCLG in their role as Managing Authority.

9. Recommendations

9.1 That WYCA note the content of the report, in particular the process, roles and responsibilities of the parties involved, including WYCA, as set out in the flow chart at Annex 1 and provide comments

9.2 That WYCA agree the outline shape of a Call under SUD as outlined in paragraph 4.

ANNEX 1 Intermediate Body Flowchart – West Yorkshire Combined Authority



KEY

Responsibility/ function of Managing Authority (DCLG)	Responsibility/ function of Devolved IB (WYCA as Decision Maker and/or provider of advice)	Responsibility/ function of WYCA Investment Committee (IC) – Advisory role to CA	Responsibility/ function of ESIF Sub-Committee	Function of WYCA IB European Team (activity)	WYCA Technical Appraisal Team	Wider CA Team – responsible for Evaluation/Impact data – aligns with wider data & intelligence to inform future work areas in the Org'n
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Director: Rob Norreys, Director,
Policy, Strategy & Communications
Authors: Liz Hunter & Steve Heckley



ITEM 14

Report to: Combined Authority

Date: 6 April 2017

Subject: Integrated Transport Block Programme

1. Purpose

- 1.1 To approve the indicative West Yorkshire LTP Integrated Transport block funded programme 2017-22 (IP3) and 2017/18 National Productivity Investment Fund programme as part of the overall Transport Strategy Implementation Plan 3

2. Information

Background

- 2.1 The West Yorkshire Combined Authority (WYCA) is developing a new West Yorkshire Transport Strategy to support delivery of the Leeds City Region Strategic Economic Plan.
- 2.2 This 20 year Strategy is envisaged as a single plan with multiple funding streams, including DfT provided Local Transport Plan Integrated Transport (IT) and Highway Maintenance (HM) block grant allocations as previously, plus the West Yorkshire Transport Fund (Local Growth Funds) and any other grant or aligned partner funding that may become available.
- 2.3 The 20 year Transport Strategy is proposed to be delivered through a series of five year Implementation Plans to contain specific programmes and projects. The first of these Implementation Plans (IP3) would cover the period 2017-2022, with a proposed mid-term review.
- 2.4 Transport Committee (December 2016) noted the commencement of work to prepare the first Implementation Plan and agreed an indicative programme including priorities and indicative percentage allocations for the use of the LTP Integrated Transport (IT) funded element of the programme. The IT block is intended to fund smaller scale improvements to transport networks and facilities.

- 2.5 Integrated Transport Block funds are significantly constrained as a result of the overall reduction in the level of LTP Integrated Transport (IT) funding from DfT (as a result of government decision to top slice 40% of LTP funding at a national level to support the Local Growth Fund). These constraints are most significantly felt in Years 1 (2017/18) and 2 (2018/19) with the impact of commitments carried forward from IP2 where scheme delivery extends into this new IP3 period, as well as match funding commitments, such as the CityConnect Cycle City Ambition Grant programme, falling within the IP3 period.

National Productivity Investment Fund

- 2.6 The Government announced a new National Productivity Investment Fund (NPIF) in the Autumn Statement 2016, as additional funding for transport and other sectors that are key to boosting productivity.
- 2.7 In January 2017, the DfT confirmed that £185 million would be allocated to local authorities to improve local road networks and public transport in 2017/18, with £6.925m made available for West Yorkshire Combined Authority, based on a formulaic approach. Details of future years' funding from the NPIF are still awaited but funding is expected to be made available through a competitive bidding process.
- 2.8 In line with the DfT's required deadline of 3 February, WYCA has confirmed its readiness to spend NPIF funding in 2017/18 on improving local road networks and public transport works, and that it will provide information on its website on how the funding will be spent by the end of March 2017.

LTP Integrated Transport IP3 programme (2017-22)

- 2.9 The detailed IT Block IP3 programme attached as **Appendix A** shows proposed allocations to schemes within seven programme areas that match the core themes of the draft West Yorkshire Transport Strategy.
- 2.10 The approach taken is to provide detail for first two years of the IP3 period (2017-18 and 2018-19). For the following three years (2020-22), costs have been shown where known, otherwise indicative allocations are provided where scheme details are still to be developed.
- 2.11 It is proposed to undertake a mid-term review of the programme after Year 2 (2018/19) to consider the detailed development of the remainder of the programme, in light of factors that might influence priorities.
- 2.12 This proposed programme reflects the input of all West Yorkshire LTP partners and is recommended as providing a good strategic fit with the draft Transport Strategy, offering effective use of resources, satisfying partner priorities and providing confidence in deliverability in the early years of IP3. The development of the programme has been carried out in parallel with the ongoing delivery and development of the WY+TF and Leeds £173.5m Strategy programmes to ensure that priority schemes are supported for delivery.

- 2.13 The IT Block IP3 programme for the first two years (2017-18 and 2018-19) is proposed to be funded through £26.208m LTP IT block grant and £1.615m NPIF funding (Year 1 only). A level of over-programming has been applied that is considered appropriate for this type of programme.
- 2.14 The remainder of the £6.925m Year 1 (2017/18) NPIF programme (£5.310m) is proposed to provide a discretionary element of spend for all partners to deliver the following types of schemes:
- Highways network management schemes – including changes to key junctions and traffic signal control upgrades to reduce congestion and increase capacity;
 - Highways asset management schemes – targeting high risk areas (e.g. drainage improvements in flood risk locations; traffic signals replacement/upgrades of key life-expired junctions) to improve network performance and reliability
 - Accessibility improvements: including new pedestrian crossing points and local footpath network upgrades to reduce severance and connect communities, to strengthen local economies
 - Public Transport interchange and route upgrades - to improve passenger journeys and interchange between modes
- 2.15 As described in Item 5 – Capital Spending and Project Approvals, the Case Paper for the total Year 1 (2017/18) NPIF programme (£6.925m) has been appraised by the Project Appraisal Team (PAT) at Activity stage 2 and recommended for approval to spend.
- 2.16 At their meeting in February 2017, Transport Committee endorsed:
- the draft West Yorkshire LTP Integrated Transport funded programme 2017-22 (IP3) at their meeting in February 2017;
 - the use of Year 1 NPIF funding to support the delivery of the Integrated Transport block programme, as well as providing a discretionary element of spend for partners for delivery of schemes that are in accordance with Transport Strategy core themes and that contribute to NPIF objectives.

Limitations of the LTP Integrated Transport block programme

- 2.17 West Yorkshire partners' development of the Integrated Transport Block programme has also identified difficulties in funding certain other types of scheme due to scale or fit with funding programme objectives. Those scheme types identified include Rail station development and accessibility improvements; cycling and walking route infrastructure; and larger-scale asset renewal e.g. major Bus Station refurbishment.
- 2.18 As an example, the West Yorkshire Plus Transport Fund is of a sufficiently large scale to enable delivery of larger-scale schemes, but is currently fully allocated to schemes. Furthermore, some of the scheme types identified above may not be well aligned with the objectives of the Fund or make a significant direct contribute to the outputs associated with the Transport Fund.

- 2.19 Further consideration will be required as to how to address the delivery of these types of larger schemes from alternative funding sources.

Portfolio management and Assurance process

- 2.20 It is proposed to begin to apply the established assurance process to Integrated Transport block programme, commencing with WYCA led or WYCA funded schemes, with West Yorkshire District partners also given the option to utilise the PMO and Assurance process as part of their scheme development and delivery. Approval of WYCA-led or WYCA funded schemes will be sought from Transport Committee under the current delegation in place for LTP IT block funded schemes up to £3m.
- 2.21 It is proposed that Transport Committee will oversee delivery of the West Yorkshire LTP Integrated Transport funded programme, including reporting of any variances to the programme and approval of quarterly payments will be made to Districts to deliver schemes led by them.

3. Financial Implications

- 3.1 The Financial Implications are set out in Section 2 of this report.

4. Legal Implications

- 4.1 None as a result of this report.

5. Staffing Implications

- 5.1 None as a result of this report

6. External Consultees

- 6.1 West Yorkshire LTP Partners have been consulted in the drafting of this report.

7. Recommendations

- 7.1 That WYCA approves the attached indicative West Yorkshire LTP Integrated Transport funded programme for the 5 Year IP3 period (2017-22) following endorsement of the draft programme by Transport Committee in February 2017.
- 7.2 That WYCA approves the detailed Year 1 (2017/18) and Year 2 (2018/19) programme of District-led schemes, identified as part of the attached West Yorkshire LTP Integrated Transport funded programme and funded through a combination of funding from LTP Integrated Transport block and National Productivity Investment Fund.
- 7.3 That WYCA notes the proposal for approval of WYCA-led or WYCA funded schemes to be sought from Transport Committee under the current delegation in place for LTP IT

block funded schemes up to £3m, and for Transport Committee to oversee delivery of the West Yorkshire LTP Integrated Transport funded programme.

- 7.4 That WYCA approves the provisional programme and spend of the £6.925m National Productivity Investment Fund (NPIF) allocation, and that the funding is included in the WYCA budget. The provisional programme be published on the WYCA website by the end of March, stating this is subject to Combined Authority approval.
- 7.5 That WYCA approves the Managing Director to use his delegation at subsequent Decision Points in approving the re-allocation of any funds between schemes, the districts and WYCA. That the WYCA schemes are subject to the Assurance Process and that a Full Business Case for the package of schemes totalling £1.327m returns to the PAT at Decision Point 5 (FBC Finalised Costs)

8. Background Documents

- 8.1 As identified in the report.

All allocations shown in £000s

	Profiled capital cost					
	2017/18	2018/19	2019/20	2020/21	2021/22	5 year total
Highway Assets (£000s)						
<i>Highway resurfacing / reconstruction</i>	25,971	23,507	23,507	23,507	23,507	119,995
<i>Bridges, structures and retaining walls</i>						
<i>Street Lighting</i>						
TOTAL HIGHWAY ASSET						119,995
<i>Y5 (2021-22) allocations are indicative and subject to confirmation</i>						
TOTAL HIGHWAY MAINTENANCE BLOCK						119,995
Road Network (£000s)						
Network Management						
<i>UTMC traffic signal replacement and upgrades; improvements to data communications, linked to joint UTMC centre; improvements to signal technologies and controls; new and replacement variable message signs</i>						
Bradford	460	460	460	460	460	2,300
Calderdale	140	140	140	140	140	700
Kirklees	340	340	340	340	340	1,700
Leeds	780	780	780	780	780	3,900
Wakefield	280	280	280	280	280	1,400
<i>Sub Total</i>	2,000	2,000	2,000	2,000	2,000	10,000
Safer Roads						
<i>Highways improvements aimed at reducing casualties in target locations; programmes local improvements to improve safety, especially vulnerable users, reduce severance and increase pedestrian accessibility in local areas, responding to community needs</i>						
Bradford	932	932	932	932	932	4,660
Calderdale	365	365	365	365	365	1,825
Kirklees	761	761	761	761	761	3,805
Leeds	1,357	1,357	1,357	1,357	1,357	6,785
Wakefield	585	585	585	585	585	2,925
<i>Sub Total</i>	4,000	4,000	4,000	4,000	4,000	20,000
Motorcycling						
<i>Motorcycle parking and other access improvements</i>						
Bradford	20	20	20	20	20	100
Calderdale	20	20	20	20	20	100
Kirklees	20	20	20	20	20	100
Leeds	20	20	20	20	20	100

Wakefield	20	20	20	20	20	100
	100	100	100	100	100	500
Cycling and Walking						
<i>Larger scheme development and delivery of small schemes to improve local access on foot and by bike (Years 1 and 2); delivery of large schemes (Years 3 to 5)</i>						
CCAG Match Funding	1,850	4,480	460	90	100	6,979
Bradford	50	50	2,000	2,000	2,000	6,600
Calderdale	50	50				
Kirklees	50	50				
Leeds	50	50				
Wakefield	50	50				
WY Cycle Network Development	50	50				
Cycling and Walking to Work Fund match funding contribution	150					150
<i>Sub Total</i>	2,300	4,780	2,460	2,090	2,100	13,730
TOTAL ROAD NETWORK						44,230
Places to Live and Work (£000s)						
<i>Placemaking schemes in local centres and neighbourhoods including elements of walking route upgrades, streetscape improvements, accessibility and safety.</i>						
Queensbury/Keighley/Saltaire (yr 1-2)	300	300	1,300	1,300	1,300	6,500
Mytholmroyd (Yr1-2)	120	120				
Dewsbury Station Gateway (Yr 1-2)	250	250				
Harehills/Meanwood/Chapelton Leeds (Yr 1 -2)	440	440				
Featherstone/W'field Centre (Yr1-2)	190	190				
Sub Total	1,300	1,300				
TOTAL PLACES TO LIVE AND WORK						6,500
One System Public Transport (£000s)						
Rail Strategy	150	150	1,560	1,560	1,560	4,980
Bus Strategy Delivery/Bus18	500	375				875
Access Bus refurbishment (DfT Clean Vehicle Technology Fund Match funding)	470					470
Major Rail Station Contingency	200	200				400
Morley Public Transport Hub	150					150
Sub Total	1,470	725				1,560
TOTAL ONE SYSTEM PUBLIC TRANSPORT						6,875
Smart Futures (£000s)						
Smartcard and Information programme – see separate report	1,555	980	0	0	0	2,535

Bus Real Time Evolution (systems)	375		0	0	0	375
<i>Sub Total</i>	1,930	980	0	0	0	2,910
TOTAL SMART FUTURES						2,910
Asset Management (£000s)						
H&S works at Bus Stations	250	250	1,670	1,670	1,670	1,250
Bus Shelter Invest to Save programme	350	350				1,750
Bus Shelter Real Time Display Renewal	2,000					2,000
Bus Station CCTV Digital Upgrade	500					500
Bus Shelter Refurbishment "Smart 5" - completion of programme (Leeds)	300					300
ICT Strategy	675	145	100	100	100	1,120
<i>Sub Total</i>	4,075	745	1,670	1,670	1,670	9,830
TOTAL ASSET MANAGEMENT						19,660
Cross Cutting Theme (£000s)						
Low Emission Fleet Incentive Scheme (ECO-Stars)	40	40	40	40	40	200
ULEV Taxi and Private Hire Chargepoint Programme – match funding contribution	300	300	300	300		1,200
<i>Sub Total</i>	340	340	340	340	40	1,400
TOTAL CROSS CUTTING THEME						1,400
Programme Wide Activities (£000s)						
Monitoring, Evaluation and Bid Development	150	150	150	150	150	750
Total Integrated Transport Block	17,665	15,120	13,580	13,210	12,920	72,495

Director: Ben Still, WYCA Managing Director
Author: Caroline Allen



ITEM 15

Report to: Combined Authority

Date: 6 April 2017

Subject: Governance arrangements

1. Purpose

1.1 This report:

- seeks agreement to progress a proposal to integrate LEP Panels into WYCA's decision-making structure, subject to further consultation with the LEP Board and its Panels;
- asks WYCA to consider appointing 2 private sector representatives to the Transport Committee, at its annual meeting;
- sets out changes to WYCA's governance required by Order, mainly relating to WYCA's overview and scrutiny arrangements, and seeks approval to amend standing orders to implement the new requirements and related changes; and
- sets out new arrangements to address potential conflicts of interest arising in respect of business grants.

2. Context

2.1 The partnership between the private sector and local authorities involved in the LCR LEP has made a real difference to the city region economy – securing over £500m of government funding across three Growth Deals and leveraging even greater private investment to create and safeguard jobs, build houses and grow the economy.

2.2 In the relatively short period since 2010, the nature and structure of that partnership has passed important milestones – agreeing and refreshing the Strategic Economic Plan, establishing a combined authority which became the accountable body for the LCR LEP and a key democratic decision making body across West Yorkshire, and setting out ambitions for a transformative devolution agreement to deliver a stronger, more inclusive economy.

- 2.3 Locally, there is a desire for better-integrated decision making across economic, social and transport matters, so it is clear which decisions are taken and where, particularly the spending of public money. It is also possible to:
- streamline the process so there is quicker decision-making with less duplicative reporting and no low-level decisions requiring approval at a meeting of WYCA; and,
 - ensure the private sector is included consistently across all aspects of city region policymaking.
- 2.4 Nationally, Government has responded to a National Audit Office study on Local Enterprise Partnerships¹, by revising guidance for Assurance Frameworks² to improve transparency and ensure value for money. This requires, for example, LEP Board meetings to adhere to similar levels of transparency as similar public bodies – for example, by meeting in public. Across the country, LEPs are taking similar steps, including in South Yorkshire where there is already a fully-integrated system of Boards operating with delegated powers from the LEP and SCR Combined Authority (as its accountable body).
- 2.5 Looking ahead, Government’s industrial strategy green paper focuses on *“creating the right local institutions ... which are strong structures to support people, industries and place to maximise local strengths”*. The draft city region response argues that Government ought to seek to build on, and with, existing strategic institutions like LEPs and combined authorities, rather than wholesale reform.

Panel arrangements

- 2.6 Proposals about governance structures were first considered last May/June but no formal proposals were put forward in the context of what were then seen to be likely devolution agreements. The proposals can be considered in four steps:
- Firstly, bringing together the LEP and CA governance structures, in order to enhance transparency, enable faster decision making and set out clear accountabilities. This would also make clear indicative budgets. This is the step considered in this report.
 - Secondly, review membership of the committees and amend as required, with public / private partnership embedded in each committee.
 - Thirdly, restructure the remit and number of committees, alongside formally passing budgets and delivery responsibilities to committees in line with their remits.
 - Fourthly, making any necessary further changes depending on the agreement to any Mayoral responsibilities, should this arise, noting that steps 1-3 would themselves assist with future proofing for the arrival of a Mayor.

¹ <https://www.nao.org.uk/wp-content/uploads/2016/03/Local-Enterprise-Partnership-Summary.pdf>

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/567528/161109_LEP_Assurance_Framework.pdf

- 2.7 It should be noted that this report only considers the first step in this sequence, and that while the overall direction of travel is in line with Members' expectations, each step would need to be agreed on the basis of future proposals. The proposal is that WYCA consider securing direct private sector input into policy implementation by appointing specific LEP Panels as WYCA committees or sub-committees. These would supplement the existing WYCA committee structure.
- 2.8 The new committee arrangements would continue to provide input on the policy framework and report up to the LEP Board, but their direct engagement in WYCA decision-making would promote direct accountability to, and interaction with, WYCA, as well as to the LEP Board.
- 2.9 It is proposed that WYCA appoints the following LEP Panels³ as WYCA committees or sub-committees at its annual meeting:
- Business Innovation and Growth Panel
 - Employment and Skills Panel
 - Green Economy Panel
 - Investment Panel
 - Strategic Land and Assets Board.
- 2.10 The proposed re-structure would enhance the profile of the current Panels, and promote transparency and accountability, as statutory access to information provisions and conduct provisions would apply – see further below.
- 2.11 It is proposed that, to enable all private sector members to vote⁴, the following could be **advisory** committees to WYCA:
- Business Innovation and Growth Panel
 - Employment and Skills Panel
 - Green Economy Panel
 - Strategic Land and Assets Board.
- 2.12 It is also proposed that Investment Panel becomes an **advisory sub-committee** to the WY and York Investment Committee, continuing its current role in particular carrying out due diligence feeding in directly to the Investment Committee.
- 2.13 Revised terms of reference for each new committee or sub-committee reflecting their new status would be subject to approval by WYCA at the annual meeting. Membership of the new committees could reflect current arrangements.

³ It is not proposed to include the Planning Portfolio Board in these new arrangements as this provides a broader role in relation to strategic planning between districts as local planning authorities. The Local ESIF Sub-Committee relates to a DCLG governance framework and is therefore also outside this current proposal. The Business Communications Group would continue to report directly to the LEP Board.

⁴ By law, voting rights cannot extend to private sector members of a WYCA *decision-making* committee (unless they are on the LEP Board), nor to local authority Members from the wider LCR area.

- 2.14 The proposal also provides an opportunity to harmonise **procedures** so far as appropriate, in relation to the appointment of Chairs, substitution arrangements, members' terms of office and quora.
- 2.15 The draft proposal was considered by the LEP Board at its meeting on 21 March. The LEP Board wished for further information regarding how the private sector could be embedded into future WYCA decision-making and the nature of the decisions remitted to the LEP Board, plus some operational detail. A briefing is being arranged to achieve this and the LEP Board will subsequently consider the proposals at its meeting on 17 May.

Transport Committee membership

- 2.16 Membership of the Transport Committee is currently comprised of district council co-optees and one WYCA Member. It is proposed that WYCA considers appointing 2 private sector representatives to the Transport Committee as non-voting members, at WYCA's annual meeting, to provide an enhanced private sector perspective. LEP Board could be invited to nominate the two private sector representatives at its meeting in May.

Overview and Scrutiny arrangements

- 2.17 An Order of the Secretary of State coming into force on 8 May requires changes to WYCA's overview and scrutiny arrangements. The main change is a requirement to publish notice of Key decisions to be taken by WYCA (similar to districts' Forward Plans).

Notice of Key decisions

- 2.18 The Order provides that "Key decisions" cannot be taken unless a notice has been published at least 28 days beforehand, although this is subject to exceptions. A Key decision is defined by the Order as one which is likely to:
- result in WYCA incurring significant expenditure, or significant savings, having regard to WYCA's budget for the service or function to which the decision relates; or
 - to be significant in terms of its effects on persons living or working in an area comprising 2 or more wards or electoral divisions in WYCA's area.
- 2.19 It is for WYCA's Overview and Scrutiny Committee (OSC) to determine which decisions should be treated as Key. At its meeting on 22 March 2017, OSC approved a definition which provides for:
- a threshold of **£1 million** for the purpose of defining significant expenditure or savings⁵, and
 - specific **strategically important decisions** to be treated as Key decisions.

⁵ WY districts have adopted a threshold of either £200,000, or £250,000, with specific higher value exceptions. However, the WYCA's financial decisions tend to be on a much larger scale.

This approach is consistent to that adopted by Greater Manchester CA. It is proposed to incorporate the notice provisions, including the Key decision definition into the Access to information Annex to WYCA's Procedural Standing Orders. The revised Annex is attached as **Appendix 1** to this report. OSC also resolved to review the new arrangements when they have been in operation for 6 months.

Consequential amendment to Call-in arrangements

- 2.20 Currently, all decisions taken at meetings of WYCA and the Transport Committee are open to call-in (unless identified as urgent), but officers' decisions are not subject to call-in. For consistency with the new arrangements, OSC also determined, subject to the agreement of WYCA, that call-in should be extended to any Key decision taken by an officer. This is reflected in **Appendix 2**, revised Scrutiny Standing Orders.

Statutory Scrutiny Officer

- 2.21 The Order requires WYCA to appoint a **statutory Scrutiny Officer**⁶. The Managing Director recommends WYCA designates the Director of Resources to this position, as an interim measure, with a view to establishing and recruiting to a new post in due course.

Amendments to Scrutiny Standing Orders

- 2.22 The Order imposes a number of requirements relating to overview and scrutiny arrangements, many of which reflect existing WYCA practice and arrangements. Revised Scrutiny Standing Orders reflecting these amendments are attached as Appendix 2 to this report, with proposed changes highlighted. The main points to note are:
- a change to the OSC **quorum** (2/3 members, rather than 5);
 - additional rights of access to documents by OSC members;
 - the number of constituent council members on OSC taken as a whole must reflect so far as reasonably practicable the balance of political parties prevailing among members of the constituent councils;
 - Members' rights to refer matters to OSC.
- 2.23 The Order also contains provisions about the appointment of the OSC Chair, but these are not of effect for WYCA until a further Order has been made.

Governance and Audit Committee arrangements

- 2.24 WYCA at its meeting in December 2016 delegated authority to the Director of Resources to progress the recruitment of an independent audit committee Chair, as

⁶ The role of the statutory Scrutiny Officer is to promote the role of the overview and scrutiny committee, provide support and guidance to the OSC and its members, and provide support and guidance to the members of the WYCA in relation to the functions of the OSC.

required by the draft Order, with a view to WYCA making the appointment to the Governance and Audit Committee at WYCA's annual meeting. The final Order does not however require the independent member to Chair the committee. WYCA are asked to direct the Director to progress the recruitment, but on the basis that the independent member will not be Chair of the committee.

- 2.25 The Order also requires the members of an audit committee taken as a whole to reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together. WYCA will need to comply with this requirement when making appointments at the annual meeting. The Order provides for the quorum of an audit committee to be "no fewer than two-thirds of the total number of members of the audit committee". The current quorum of 3 complies with this requirement.

Conflicts of interest

- 2.26 From time to time, businesses in which private sector LEP Board & Panel members are involved (for example, as owners or employees), apply to WYCA for business grants. This is within the boundaries of ethical conduct, and it is recognised that to prohibit this would effectively disadvantage those businesses, which may discourage business leaders from engaging in the Board and Panel work. The applications are usually determined by the Managing Director under delegated authority, and not in public by a committee. To provide an independent 'check & balance', and as an interim measure pending a more detailed review of conflicts of interest arrangements, the OSC Chair will be consulted about any such applications.

3. Financial Implications

- 3.1 None arising directly from this report, although costs will arise from establishing any new post of statutory Scrutiny Officer. It is not anticipated that any amendments to WYCA's Allowances Scheme would flow from the proposals in relation to LEP Panels.

4. Legal Implications

- 4.1 In relation to amendments arising from the Order, it is for OSC to define which decisions are Key decisions and which should be open to call-in, although the latter is subject to agreement by WYCA. Designating a statutory Scrutiny Officer falls to WYCA.

5. Staffing Implications

- 5.1 There are no significant implications arising from the designation of the Director of Resources as statutory Scrutiny Officer.

6. External Consultees

- 6.1 The Managing Director proposes to consult the LEP Board, LEP Panels and relevant WYCA committees about the proposed changes to committee arrangements.

7. Recommendations

- 7.1 WYCA are recommended to:

7.1.1 ask the MD to progress the proposal to integrate LEP Panels into WYCA's decision-making structure as set out in this report, including consulting with the LEP Board and engagement with the LEP Panels and relevant WYCA committees via their respective Chairs, with a view to considering revised committee arrangements at its annual meeting.

7.1.2 ask the LEP Board at its meeting in May to agree the proposals set out in this report in respect of revised committee arrangements, including the proposal to appoint 2 non-voting private sector representatives to the Transport Committee.

7.1.3 note the changes to governance arrangements required by Order of the Secretary of State as set out in this report, together with the definition of Key decision agreed by OSC and further to these requirements, with effect from 8 May 2017:

- to approve the revised Access to Information Annex as set out in Appendix 1;
- to approve the revised Scrutiny Standing Orders attached as Appendix 2 to this report, including the revised call-in provisions recommended by OSC;
- to designate the Director of Resources as Scrutiny Officer;
- to ask the Director of Resources to establish a new post of Scrutiny Officer and progress recruitment to that post;
- confirm that the Director of Resources should progress the recruitment of an independent member (not Chair) for the Governance and Audit Committee; and
- note the new arrangements to address potential conflicts of interest arising in respect of business grants.

8. Background Documents

- 8.1 None.

West Yorkshire Combined Authority Access to Information Annex

Rights to attend meetings, inspect documents and record proceedings.

Part 1: Rights of the public

References to meetings of the Authority include meetings of any committee or sub-committee appointed by the Authority, including the Governance and Audit Committee.

These provisions do not affect any other rights to information arising under any standing orders of the Authority, or by law.

1. Public access to meetings

Any meeting of the Authority shall be open to the public except where the public is excluded (during the whole or part of the proceedings) in accordance with the following:

A Confidential information

The public **must** be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Confidential information means:-

- information given to the Authority by a Government department on terms which forbid its public disclosure or
- information the public disclosure of which is prohibited by or under an Act or Court Order.

B Exempt information

The Authority **may** resolve to exclude the public from a meeting during an item whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that exempt information would be disclosed to the public if the public were present during the item.

Exempt information means information falling within one of the following descriptions (as set out in Part 1 of Schedule 12A of the Local Government Act 1972):-

Description
Paragraph 1: Information relating to any individual .
Paragraph 2: Information which is likely to reveal the identity of an individual .
Paragraph 3: Information relating to the financial or business affairs¹ of any particular person (including the Authority holding that information), except information which must be registered under various statutes, such as the Companies Acts or the Charities Act 2011.

¹ "Financial or business affairs" includes contemplated, as well as past or current, activities.

Description
“Financial or business affairs” includes contemplated, as well as past or current, activities.
Paragraph 4: Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter ² arising between the Authority or a Minister of the Crown and employees of, or officer-holders under the Authority.
Paragraph 5: Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings .
Paragraph 6: Information which reveals that the Authority proposes:– (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
Paragraph 7: Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime .

Information falling within any of these descriptions is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission under regulation 3 of the Town and Country Planning General Regulations 1992.

Information falling within any of these descriptions may only be exempt if and so long as, in all the circumstances of the case, the **public interest** in maintaining the exemption outweighs the public interest in disclosing the information.

A resolution to exclude the public from a meeting must:-

- identify the proceedings, or the part of the proceedings, to which it applies;
- state the description of the exempt information giving rise to the exclusion of the public and;
- confirm (by referring to reasons in a relevant report or otherwise), that in all the circumstances of the case, the **public interest** in maintaining the exemption outweighs the public interest in disclosing the information.

C General Disturbance

Procedural Rule 24 provides for the public to be excluded from a meeting where general disturbance arises.

2. Public access to agenda and reports

² Labour relations matter” are as specified in paragraphs (a) to (g) of section 218(1) of the Trade Unions and Labour Relations (Consolidation) Act 1992, i.e. matters which may be the subject of a trade dispute within the meaning of that Act or any dispute about any such matter.

The Head of Legal and Democratic Services shall make the following open to public inspection, at the offices of the Authority³, in accordance with the Authority's Procedure Standing Orders:-

- copies of the **agenda** for a meeting of the Authority and,
- copies of any **report** for the meeting open to the public.

3. Public access to copies at the meeting

The Head of Legal and Democratic Services will make available for the use of members of the public present at a meeting a reasonable number of copies of:-

- the **agenda** and
- those **reports** open to the public.

4. Public access to documents after a meeting

The Head of Legal and Democratic Services will make available for inspection copies of the following for six years after a meeting:-

- the **minutes** of the meeting (excluding any part of the minutes when the meeting was not open to the public or which disclose exempt or confidential information);
- a **written summary** of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- the **agenda** for the meeting; and
- **reports** relating to items when the meeting was open to the public.

5. Public access to background papers

The author of any report will set out in the report a list of the background papers relating to the subject matter of the report which in the author's opinion:-

- disclose any facts or matters on which the report or an important part of the report is based; and
- have been relied on to a material extent in preparing the report.

This requirement does not extend to:-

- published works or
- papers which disclose exempt or confidential information.

The Head of Legal and Democratic Services will:-

- **publish a copy** of each of the background documents listed on the Authority's website at the same time as the report is available for public inspection, and
- **make a copy of each available** to the public at the offices of the Authority, on payment of a reasonable fee⁴.

³ These are available on request during usual office hours

⁴ A copy is taken to be open where arrangements are made to produce it to members of the public as soon as is reasonably practicable after the request to inspect the copy.

The Head of Legal and Democratic Services will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

6. Recording meetings⁵

The Authority will provide so far as practicable, reasonable facilities to any person attending a meeting for the purpose of reporting on the meeting.

A person attending a meeting for the purpose of reporting on it may use any communication method, including the internet, to publish, post or otherwise share the results of the person's reporting activities.

Publication and dissemination may take place at the time of the meeting or occur after the meeting.

Any person reporting on a meeting is expected to comply with the attached Code of Practice.

7. Public notice of proposed Key decisions

A Definition of a Key decision

A Key decision means a decision of a decision maker⁶, which in the view of the Overview and Scrutiny Committee of the Authority is likely:

- (i) to result in the Authority incurring significant expenditure, or the making of significant savings, having regard to the Authority's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the area of the Authority.

For the purposes of (i) above, this includes any decision likely to result in the Authority incurring expenditure or making savings (including the receipt or loss of income) **over £1 million in any financial year**⁷.

For the purposes of (ii) above, the definition of a Key decision includes (but is not limited to) any decision:

⁵ See further Procedural Standing Order 23. Recording in this context means:

- filming, photographing and making an audio recording of proceedings;
- using any other means for enabling people not present to see or hear proceedings at a meeting as it takes place or later;
- reporting or providing commentary on proceedings at a meeting, orally or in writing so that the report or commentary is available as the meeting takes place or later to persons not present.

⁶ Including any decision taken by the Authority, a committee or Officer under authority delegated from the Authority.

⁷ Except where this expenditure, saving or income will result from

- a Treasury Management decision in relation to the making, payment or borrowing of a loan, or
- the urgent settlement of proceedings to which the Authority is a party, or
- any decision in respect of a project or programme under the Authority's assurance process which is not a decision taken at decision point 2 or 5 of the process.

a) to approve or vary:

- the Strategic Economic Plan
- the Single Transport Plan
- the Authority's budget
- joint quality partnership arrangements
- joint quality contracts arrangements
- joint ticketing arrangements

b) to set the Transport Levy

c) to consent to regulations to:

- establish a sub-National Transport Body
- levy in relation to functions other than transport functions
- borrow

d) to exercise a function relating to a road user charging scheme.

For the purposes of (i) and (ii) above, the following shall **not** be treated as a Key decision:

- any decision which is a direct consequence of implementing a previous Key decision, and
- any decision which is the result of varying a previous Key decision in line with recommendations made by the overview and scrutiny committee following a Call-In of that decision.

B Notice provisions

Except where impracticable, a key decision cannot be made unless until a notice has been published which states

- that a **Key decision is to be made** in relation to the discharge of functions which are the Authority's responsibility;
- the **matter** in respect of which the decision is to be made;
- the **decision maker's name and title** if any;
- the **date** on which, or the period within which, the decision is to be made;
- a **list of documents** submitted to the decision maker for consideration in relation to the matter in respect of which the key decision is to be made;
- the **address** from which, subject to any prohibition or restriction on their disclosure, copies of or extracts from, any document listed is available;
- **that other documents** relevant to those matters **may be submitted** to the decision maker; and
- the **procedure** for requesting details of those documents (if any) as they become available.

The Head of Legal and Democratic Services will publish any such notice on the Authority's web-site at least 28 clear days before the Key decision is made, and make it available for public inspection at the Authority's offices.

Where in relation to any matter-

- the public may be excluded under section 100A of the Local Government Act 1972 from the meeting at which the matter is to be discussed; or
- documents relating to the decision need not (because of confidential information⁸) be disclosed to the public,

the notice must contain particulars of the matter but may not contain any confidential information or exempt information.

C General Exception

Subject to cases of special urgency, where it is impracticable to publish a notice of a Key decision at least 28 clear days before the Key decision is to be made, the decision may only be made:

- where the Head of Legal and Democratic Services has **informed the Chair of any relevant overview and scrutiny committee⁹ by notice** in writing of the matter about which the decision is to be made;
- where the Head of Legal and Democratic Services has **published the notice** on the Authority's web-site and **made the notice available for public inspection** at the Authority's offices; and
- after **5 clear days** have elapsed following the day on which the Head of Legal and Democratic Services made the copy of the notice available.

As soon as reasonably practicable after the Head of Legal and Democratic Services has served a notice on the Chair, published the notice and made it available to the public, the Head of Legal and Democratic services must make available to the public and publish a **notice setting out the reasons why it was impracticable** to publish the notice of a Key decision at least 28 days before the Key decision was to be made.

D Cases of special urgency

Where the date by which a key decision must be made makes it impracticable to comply with the general exception provision above, the decision may only be made where the decision maker¹⁰ has obtained **agreement from the Chair of any relevant overview and scrutiny committee¹¹** that the making of the decision is urgent and cannot reasonably be deferred.

As soon as reasonably practicable after the decision maker has obtained the necessary agreement that the decision is urgent and cannot reasonably be deferred, the decision maker must¹² make available to the public at the Authority's offices a **notice setting out the reasons why the decision is urgent and cannot reasonably be deferred**; and publish that notice on the Authority's web-site.

8. Public access to written records of decisions made by officers

A decision-making Officer may be required to produce a **written record** of their decision.¹³

⁸ See Scrutiny Standing Order 12.4

⁹ Or if there is no such person, each member of the relevant overview and scrutiny committee,

¹⁰ Where the decision maker will be a committee or the Authority itself, this will fall to the Managing Director or other relevant Director.

¹¹ If there is no such person, or if the Chair is unable to act, agreement may be given by the Authority's Chair, or where there is no Chair, the Vice-Chair of the Authority.

¹² In consultation with the Head of Legal and Democratic Services

¹³ A written record is required if the decision is made:

As soon as reasonably practicable after an officer has made a written record, the Head of Legal and Democratic Services shall make any written record and any background papers available for inspection by the public.¹⁴

- at all reasonable hours, at the offices of the Authority;
- on the Authority's website; and
- by such other means that the Authority considers appropriate.

On request¹⁵ the Head of Legal and Democratic Services will provide:

- a copy of the written record;
- a copy of any background papers.;

The Authority will retain each written record and make it available for public inspection for 6 years beginning with the date on which the decision was made.

The Authority will retain any background papers and make them available for public inspection for 4 years beginning with the date on which the decision was made.

Part 2: Press access to meetings

The Head of Legal and Democratic Services shall supply on request¹⁶ for any newspaper:-

- a copy of the **agenda** and those **reports** open to the public;
- any **further statements** necessary to indicate the nature of the items on the agenda; and
- if the Head of Legal and Democratic Services thinks fit, copies of **any other documents supplied to members** of the Authority in connection with the item.

Procedural Standing Order 23 and rights relating to recording proceedings set out above apply to members of the press, in the same way as they apply to the public.

Part 3: Freedom of Information (FOI)

The Freedom of Information Act 2000 applies to the Authority, which therefore publishes information under a Publication Scheme. The Scheme specifies:-

- the **classes of information** which the Authority publishes or intends to publish;
- **how** information in each class is, or is intended to be, published, and

-
- under a specific express authorisation, or
 - under a general authorisation where the effect of the decision is to grant a permission or licence; affect the rights of an individual; or award a contract or incur expenditure which, in either case, materially affects the Authority's financial position.

An Officer may also record and publish any other decision if they consider this to be in the public interest.

¹⁴ The Authority is not authorised to disclose confidential information (nor required to disclose exempt information) contained in these documents or any part of a document.

¹⁵ and on receipt of payment of postage, copying or other necessary charges.

¹⁶ and on payment of postage or other necessary charges.

- whether the material is, or is intended to be, available to the public **free of charge** or on **payment**.

The public also has a general right of access to information held by the Authority, but this is subject to exemptions¹⁷.

A FOI request must be submitted to and dealt with by the Head of Legal and Democratic Services.

A FOI request must:-

- be in writing¹⁸
- state the name of the applicant
- state an address for correspondence, and
- describe the information requested.

Part 4: Members' access

1. General

Any member of the Authority is entitled to inspect any document which:-

- is in the possession of or under the control of the Authority, and
- contains material relating to any business to be transacted at a meeting of the WYCA.

unless it appears to the Head of Legal and Democratic Services that it discloses exempt information falling within one of the following descriptions:-

- a) Information relating to the financial or business affairs of any particular person including the Authority, (except to the extent that the information relates to any terms proposed or to be proposed by or to the Authority in the course of negotiations for a contract), or
- b) Information which reveals that the Authority proposes.
 - to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - to make an order or direction under any enactment.

These rights are in addition to any other rights the member may have (such as those arising from a member's need to know at common law).

2. Additional rights of access to documents for members of any overview and scrutiny committee or sub-committee

Subject to the exceptions outlined below, a member of an overview and scrutiny committee or sub-committee is entitled to a copy of any document which is in the possession or under the control of the

¹⁷ The Monitoring Officer or in their absence the Head of Paid Service is authorised by the Secretary of State to assume the role of "qualified person" for the purposes of S36 FOIA (letter dated 4 May 2016)

¹⁸ A request will be treated as made in writing where the text is transmitted by electronic means (e-mail), is received in legible form, and is capable of being used for subsequent reference.

Authority and contains material relating to any business that has been transacted at a meeting of the Authority or at a decision-making committee of the Authority. The member must make any request for such a document in writing to the Head of Legal and Democratic Services, who shall consider any such request on behalf of the Authority.

The document must be provided as soon as reasonably practicable and in any case no later than 10 clear days after the Head of Legal and Democratic Services receives the request.

No member of an overview and scrutiny committee or sub-committee is entitled to a copy of any such document or part of a document as contains exempt of confidential information, unless that information is relevant to

- an action or decision that the member is reviewing or scrutinising or
- any review contained in any programme of work of the committee or sub-committee.

Where the Head of Legal and Democratic Services determines that a member is not entitled to a copy of a document or part of any such document, she must provide the overview and scrutiny committee or sub-committee with a written statement setting out the reasons for that decision.

Part 5: List of Members

The Head of Legal and Democratic Services will publish a list stating:-

- the name and address of all current members of the Authority and the constituent or non-constituent council they represent, and
- the name and address of all current members of the other Committees and any sub-committees.

A member of the public may inspect the list.

West Yorkshire Combined Authority

Scrutiny Standing Orders

1. Appointment of committees and sub-committees

- 1.1 The Authority shall appoint one or more overview and scrutiny committees.
- 1.2 An overview and scrutiny committee may appoint one or more sub-committees to discharge any of its functions.¹

2. Membership

- 2.1 The Authority shall appoint members of each of the Constituent Councils and the non-constituent Council to any overview and scrutiny committee.
- 2.2 The majority of members of any overview and scrutiny committee or sub-committee must be members of the Constituent Councils.
- 2.3 The number of members of each of the Constituent Councils appointed to any overview and scrutiny committee must be such that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the Constituent Councils when taken together.
- 2.4 No member of the Authority or of the Leeds City Region Local Enterprise Partnership Board may be a member of an overview and scrutiny committee or sub-committee.
- 2.5 Within 28 days of any appointment to any overview and scrutiny committee, the Head of Legal and Democratic Services will publish a notice about the appointment² on the Authority's web-site.

3. Voting

¹ A sub-committee of an overview and scrutiny committee may not discharge any functions other than those conferred on it in accordance with standing order 1.2.

² In accordance with Article 4 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017/68

- 3.1 Each member of an overview and scrutiny committee, or of any overview and scrutiny sub-committee, appointed from a Constituent Council has one vote.
- 3.2 Any member of an overview and scrutiny committee or sub-committee, appointed from the non-constituent Council is non-voting, unless the Authority has resolved to give such a member voting rights.
- 3.3 All questions coming or arising before an overview and scrutiny committee or sub-committee, shall be decided by a simple majority of the members present and voting on the question.
- 3.4 No member of an overview and scrutiny committee or sub-committee has a casting vote.
- 3.5 If a vote is tied on any matter it is deemed not to be carried.

4. Chair

- 4.1 The Authority will appoint the Chair of any overview and scrutiny committee.
- 4.2 The Chair of any overview and scrutiny sub-committee will be appointed by the appointing overview and scrutiny committee.

5. Conflicts of Interest

- 5.1 No member of an overview and scrutiny committee or sub-committee may scrutinise a decision (whether or not implemented) in which they were directly involved as a member of the committee or sub-committee which made the decision.
- 5.2 Such a member may only attend the overview and scrutiny committee or sub-committee to:
- make representations,
 - answer questions, or
 - give evidence about the decision.

6. Quorum

- 6.1 At least two-thirds of the total number of members of any overview and scrutiny committee or sub-committee must be present at a meeting before business may be transacted.

7. Working Groups

- 7.1 An overview and scrutiny committee or sub-committee may appoint a working group to contribute to and inform the scrutiny process.

8. Work programme

- 8.1 Each overview and scrutiny committee or sub-committee will set its own work programme.

9. Reference of matters to an overview and scrutiny committee or sub-committee

- 9.1 The Authority or any of its committees may ask an overview and scrutiny committee to review any matter or assist in developing budget and policy proposals.

- 9.2 In accordance with standing order 9.3 below:

- a) any member of an overview and scrutiny committee may refer to the committee any matter which is relevant to the functions of the committee.
- b) any member of an overview and scrutiny sub-committee may refer to a sub-committee any matter which is relevant to the functions of the sub-committee
- c) any member of the Authority may refer to an overview and scrutiny committee any matter which is relevant to the function of the committee and is not an excluded matter³
- d) any member of a Constituent Council or the Non-Constituent Council may refer to an overview and scrutiny committee any matter which is relevant to the functions of the committee and is not an excluded matter⁴.

- 9.3 Any reference must be made in writing to the Scrutiny Officer who will ensure that the matter is included in the agenda for, and discussed at, a meeting of the committee or sub-committee.

- 9.4 Where a matter is referred to an overview and scrutiny committee by any Member under standing order 9.2 c) or d) above, in considering whether to review or scrutinise a matter referred to the committee, the committee must have regard to any representations made by the member referring the matter as to why it would be appropriate for the committee to review or

³ An excluded matter means any matter which is a local crime and disorder matter within the meaning of section 19 of the Police and Justice Act 2006 or a matter of any description specified in an Order made for the purposes of Section 9FC of the Local Government Act 2000.

⁴ See footnote above.

scrutinise the matter. If the committee decides not to review or scrutinise the matter, it must notify the member of its decision and the reasons for it.

9.5 An overview and scrutiny committee must provide a member with any copy of any report or recommendations which it makes in connection with any matter referred to it by the member⁵ under standing order 9.2 c) or d) above, subject to standing order 12.4 below.

10. Meetings

10.1 There shall be at least 5 ordinary meetings of any overview and scrutiny committee in each year.

10.2 An extraordinary meeting of an overview and scrutiny committee may be called by:

- the Chair of the committee; or
- any 5 members of the committee from at least 2 Constituent Councils

11. Attendees

11.1 Members and officers

11.1.1 An overview and scrutiny committee or sub-committee may require any member of the Authority or an officer⁶ to attend before it to answer questions⁷ or provide information about any matter within its terms of reference.

11.1.2 Where a committee or sub-committee requires a member or officer to attend, the **Scrutiny Officer** shall inform the member or officer in writing giving at least 5 clear working days' notice of the meeting. The notice will state:

- the date of the meeting they are required to attend;
- the nature of the item; and
- whether they must produce any papers for the committee.

⁵ Subject to provisions relating to confidential and exempt information

⁶ The expectation is that this would be a WYCA Member, or a Chair of any committee or sub-committee, or a senior officer.

⁷ A person is not obliged to answer any question which the person would be entitled to refuse to answer in or for the purposes of proceedings in a court in England and Wales.

- 11.1.3 A member or officer must comply with any notice they are given.
- 11.1.4 Where, in exceptional circumstances, the member or officer is unable to attend on the required date, the overview and scrutiny committee shall consult with the member or officer to arrange an alternative date.

11.2 Others

- 11.2.1 An overview and scrutiny committee or sub-committee may invite other people⁸ to attend any meeting to
- address it;
 - provide information;
 - discuss issues of local concern; and/or
 - answer questions.

11.3 General principles

- 11.3.1 Each member of an overview and scrutiny committee or sub-committee must be given the opportunity to ask attendees questions, contribute and speak.
- 11.3.2 Attendees assisting the committee must be treated with respect and courtesy.

12. Reports and recommendations

12.1 Reports and recommendations of an overview and scrutiny committee or sub-committee

- 12.1.1 An overview and scrutiny committee or sub-committee may make reports or recommendations to the Authority⁹.
- 12.1.2 If an overview and scrutiny committee or sub-committee cannot agree a final report, a minority report may be prepared and submitted as an appendix to the majority report.
- 12.1.3 The overview and scrutiny committee or sub-committee may publish any report or recommendations, subject to standing order 12.4.

⁸ Including members of the public, stakeholders, members and officers from Constituent Councils, other advisors or assessors. The committee may pay any advisers, assessors and witnesses a reasonable fee and expenses.

⁹ All references to the Authority in this standing order should be taken as including a committee of the Authority with authority to consider and respond to reports and recommendations on behalf of the Authority. The Scrutiny Officer shall in consultation with the Chair of the overview and scrutiny committee determine whether a report or recommendation shall be considered by a relevant committee or the Authority.

12.3 Notice

12.3.1 An overview and scrutiny committee or sub-committee may by notice require the Authority within 2 months of receiving any report or recommendations or (if later) the notice, to:

- consider the report or recommendations;
- respond to the overview and scrutiny committee or sub-committee indicating what (if any) action the Authority proposes to take;
- publish the response, if the overview or scrutiny committee or sub-committee has published the report or recommendations, subject to standing order 12.4 below.

12.3.2 The Authority must respond to a report or recommendations made by an overview and scrutiny committee or a sub-committee as a result of a referral made in accordance with standing order 9, within 2 months beginning with the date on which the Authority received the notice, and subject to standing order 12.4 below.

12.4 Publishing a document: confidential and exempt information

12.4.1 Standing order 12.4.2 applies to:

- the publication of any document comprising a report or recommendations of an overview and scrutiny committee or sub-committee, or a response of the Authority to any such report or recommendations; and
- the provision of a copy of such a document to a Member under standing order 9.5 above.

12.4.2 In publishing the document the overview and scrutiny committee, sub-committee or Authority must exclude any confidential information¹⁰; and may exclude any relevant exempt information¹¹. When providing a copy of a document, the overview and scrutiny committee, sub-committee or Authority may exclude any confidential information or relevant exempt information.

12.4.3 Where information is excluded, the overview and scrutiny committee, sub-committee or Authority:

¹⁰ This has the meaning given by section 100A(3) of the Local Government Act 1972

¹¹ This means exempt information of a description specified in a resolution of the overview and scrutiny committee or sub-committee or the Authority which applied to the proceedings, or part of the proceedings at any meeting at which the report was or recommendations were considered.

- may replace so much of the document as discloses the information with a summary which does not disclose that information, and
- must do so if, in consequence of excluding the information, the document published would be misleading or not reasonably comprehensible.

13. Call-in of decisions

13.1 Scope

13.1.2 The following decisions may be called-in for scrutiny:

- any decision of the Authority or the Transport Committee, and
- any Key decision taken by an Officer,

with the exception of any decision which the decision-maker has resolved is urgent¹².

13.2 Publishing decisions

13.2.1 The Scrutiny Officer shall publish details of the decisions of the Authority and the Transport Committee within 2 clear working days of a meeting.

13.2.2 Any Key decision taken by an Officer will be published as a written record of an Officer decision within 2 clear working days of the decision being made.

13.3 Implementing decisions

13.3.1 An urgent decision may be implemented immediately¹³.

13.3.2 Any other decision of the Authority or the Transport Committee, or Key decision taken by an Officer may be implemented after 5pm of the fifth clear working day after the publication of the decision, unless it is called-in.

13.4 Process

13.4.1 Five members of the overview and scrutiny committee to include at least one member from two different Constituent Councils may call-in a decision eligible for call-in by notifying the Scrutiny Officer.

¹² A decision will be urgent if any delay likely to be caused by the call-in process would prejudice the Authority's, Constituent Councils' or the public's interests.

¹³ The Scrutiny Officer must report such decisions to the next available meeting of the relevant overview and scrutiny committee, together with the reasons for urgency.

- 13.4.2 On receipt of a call-in request, the **Scrutiny Officer** shall:
- notify the decision-maker¹⁴ of the call-in,
 - consult with the Chair of overview and scrutiny committee about whether to issue a direction under standing 13.4.2 below, and
 - call a meeting of the overview and scrutiny committee, to scrutinise the decision.

13.4.3 Where a decision is called-in, the Scrutiny Officer, in consultation with the Chair of the overview and scrutiny committee may direct that the decision is not to be implemented while it is under review or scrutiny by the overview and scrutiny committee, for a period not exceeding 14 days from the date on which the direction is issued.

13.5 Scrutinising the decision

13.5.1 The overview and scrutiny committee must scrutinise the decision within 7 clear days of the **Scrutiny Officer** receiving the request for call-in.

13.5.2 Where an overview and scrutiny committee has scrutinised a decision, it may:

- endorse the decision; or
- recommend that the decision is re-considered by the Authority or the Transport Committee¹⁵.

13.5.3 A decision which has been endorsed by an overview and scrutiny committee may be implemented immediately.

13.5.4 Any decision which is recommended for re-consideration may not be implemented while any direction under 13.4.3 is of effect, except in accordance with standing order 13.6 below.

13.6 Re-considering the decision

13.6.1 The Authority or the Transport Committee must meet to reconsider any decision not later than 10 days after the date on which the recommendations of the overview and scrutiny committee are received.

¹⁴ That is, each member of any relevant committee/the relevant Officer

¹⁵ The **Scrutiny Officer** shall in consultation with the Chair of the overview and scrutiny committee determine whether a report or recommendation relating to a decision of an officer or the Transport Committee is considered by the Transport Committee (where the decision falls within its terms of reference) or the Authority. A report or recommendation relating to a decision of the Authority shall be considered by the Authority.

- 13.6.2 The Chair of the overview and scrutiny committee or their nominee may attend the meeting which is re-considering the decision, to present the report or recommendations.¹⁶
- 13.6.3 The Authority or Transport Committee may confirm, amend or rescind the decision. A response should be made in accordance with standing order 12.4.
- 13.6.4 A decision which has been confirmed or amended by the Authority or Transport Committee may be implemented immediately.

14. Guidance of the Secretary of the State

- 14.1 An overview and scrutiny committee or sub-committee must have regard to any guidance issued by the Secretary of State.¹⁷

15. Statutory Scrutiny Officer

- 15.1 Any references in these standing orders to the scrutiny officer are to the officer designated as such by the Authority.
- 15.2 The Authority shall not appoint an officer of any Constituent Council as scrutiny officer for the Authority.
- 15.3 The functions of the scrutiny officer are:
- to promote the role of any overview and scrutiny committee or sub-committee;
 - to provide support and guidance to any overview and scrutiny committee or sub-committee and its members;
 - to provide support and guidance to members of the Authority in relation to the functions of any overview and scrutiny committee or sub-committee.

16. Additional rights of access to documents

- 16.1 Additional rights of access to documents for members of any overview and scrutiny committee or sub-committee are set out in the Access to Information Annex to the Authority's Procedure Standing Orders.

17. Public notice of proposed Key decisions

¹⁶ The Chair must notify the Scrutiny Officer that they intend to attend the meeting 3 clear working days before the meeting.

¹⁷ Under Local Democracy, Economic Development and Construction Act 2009 Schedule 5A paragraph 2(9)

17.1 Provisions relating to the public notice of proposed Key decisions are set out in the Access to Information Annex to the Authority's Procedure Standing Orders.

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ITEM 16

Report to: Combined Authority

Date: 6 April 2017

Subject: Transport for the North

1. Purpose

- 1.1 To update WYCA on Transport for the North workstreams, and on revised timescales for establishing Transport for the North as a statutory body.

2. Information

Workstreams

- 2.1 Transport for the North have (TfN) a number of work programmes ongoing which WYCA is either directly involved in, or kept informed of. A summary of these and the latest update on progress is outlined below.

Strategic Transport Plan

- 2.2 Transport for the North is seeking approval in late 2017 to be a Sub-National Transport Body. As part of their transition to this statutory status, TfN are developing a Strategic Transport Plan for the North of England, working with northern LEPs and Local Transport Authorities. The plan will make a prioritised case for investment in the North of England to 2050 to improve the north's strategic transport networks to help deliver a 'Northern Powerhouse' economy, as outlined in the Northern Powerhouse Independent Economic Review.
- 2.3 To inform the Strategic Transport Plan, TfN are developing an initial Integrated Rail Report and a Major Roads Report to set out the ambitions for the north's rail and road networks.
- 2.4 The initial Integrated Rail Report will initially focus on the pan-northern strategic rail corridors. It will build on the existing Rail North Long Term Rail Strategy, work done to date on Northern Powerhouse Rail, as well as inputs from LEPs and Local

Transport Authorities. WYCA and District Partner officers have inputted into the draft initial Integrated Rail Report that is due for consultation later this year.

- 2.5 The Major Roads Report will be the first of its type and is proposed to set out a decision-making framework for the strategic planning of the North of England's 'major' roads. The intention is to address a gap that exists between the Strategic Road Network (of Motorways and Trunk Roads) and local road networks, to promote transformational investment in "major" roads of pan-northern significance and with an important function linking key economic centres.
- 2.6 The Major Roads Roads report will identify a proposed Major Roads Network for the North, developed in collaboration between TfN and national and local partners including WYCA and the West Yorkshire District Councils, and expected to comprise 7% of the North's roads. The Roads report will have a strong spatial focus on the north's most important economic centres, derived from Strategic Economic Plans and the identification of local priorities, and the network of roads that connect these places. TfN will not have an operational role in this network. The Roads Report will identify a portfolio of strategic corridors as a starting point to gather further evidence and develop an investment programme.
- 2.7 The findings of the Rail and Roads reports will be collated in the Strategic Transport Plan. TfN will publish their Rail and Roads Reports and a position statement on the Strategic Transport Plan in May 2017, to be followed in autumn 2017 by the publication of updated Rail and Roads Reports, an Integrated Sustainability Appraisal and a Draft Strategic Transport Plan which will be consulted on through the winter of 2017. A draft WYCA consultation response to the STP will be brought to a future meeting of the WYCA Transport Committee for consideration. The final publication of the TfN Strategic Transport Plan is expected to follow in summer 2018

Northern Powerhouse Rail

- 2.8 Following publication of the Northern Transport Strategy in March 2015, Transport for the North (TfN) and the Department for Transport (DfT), as joint clients, commissioned Network Rail and HS2 Ltd in July 2015, to develop a range of options for Northern Powerhouse Rail (NPR) to a feasibility level.
- 2.9 WYCA input into the TfN NPR workstream is informed by the Leeds City Region position on NPR as agreed by the Combined Authority in July 2016 and LEP Board in September 2016. Amongst other things, this includes the requirement for NPR to serve Leeds, Bradford and York city centres, for already upgraded routes such as the trans-Pennine route through Huddersfield to retain their enhanced services, and for other routes in and serving the City Region to be improved and upgraded e.g. the East Coast Main Line, the Calder Valley, the Harrogate and Wakefield area lines, so that the whole city region can fully benefit from NPR and HS2.
- 2.10 Building on the work done jointly with WYCA to demonstrate the case for NPR to serve Bradford City Centre, Bradford Metropolitan District Council have recently

launched their 'Next Stop Bradford' campaign working with public and private sector stakeholders. More information can be found on the Council's website.

- 2.11 A large number of options are still under consideration. TfN will be undertaking more significant prioritisation (and business case work) over the next 6 months, which is due to the need to agree which NPR alignment options/junctions with HS2 should be progressed into the HS2 Phase 2 Hybrid Bill design.
- 2.12 The HS2 Command Paper "High Speed Two: From Crewe to Manchester, West Midlands to Leeds and beyond" (<https://www.gov.uk/government/publications/hs2-phase-2b-decision-document>) was published on 15 November 2016. The Command Paper recognises the complementarity of HS2 and NPR and notes that by the end of 2017, a single integrated strategy for NPR and HS2 should be prepared by TfN, DfT, HS2 and Network Rail. This strategy will enable government to consider how it can develop and future-proof HS2 for the provision of NPR infrastructure. Where necessary, the government will include passive provision for NPR services in the Phase 2b hybrid Bill, subject to agreement of funding and a supporting business case.
- 2.13 TfN are currently developing the strategic case for investment in NPR, which is essential to progressing the scheme in light of the likely high costs. The case is likely to centre around NPR providing the essential core for the north's public transport network, serving and connecting key hubs of economic activity, bringing multiple cities within practical travelling distance and opening up access to opportunities for people and business right across the north.
- 2.14 TfN are currently considering the case for NPR to serve 'Other Significant Economic Centres' (OSECS). This program of work is considering the high level costs and benefits of NPR calling at OSECs, and will bring alignment options that serve OSECs up to the same level of development as the rest of the thinking for the NPR network. WYCA is involved in this work along with the relevant District Partners regarding possible West Yorkshire stations (Bradford, Huddersfield, Wakefield). City of York are also involved in the work looking at the case for NPR to stop there.

Highways England Route Strategies

- 2.15 TfN has also been working with Highways England on their Route Strategies to establish investment priorities for England's Strategic Road Network (SRN). Route Strategies have a focus on supporting economic growth and addressing network capability, integration, safety and environmental performance. Route Strategies provide a high level view of the current performance of the SRN as well as collating issues identified by stakeholders that are anticipated to impact on the performance of the network, such as future development proposals, and which may require investment. WYCA and District Partner officers have inputted to this process.
- 2.16 Highways England is currently delivering £15bn of investment nationally following the process of set the first set of route strategies developed for the period 2015-2020. This was the initial step in a long-term programme to improve England's Strategic Road Network. The new strategies will cover the period from 2020

onwards. Highways England will publishes a total of 18 Route Strategies in March 2017. Copies of all the strategies will be able to be downloaded from the Highways England website at www.gov.uk/highways. For West Yorkshire there are three route strategies of particular interest: South Pennines (including M62, M621, M606); London to Leeds East (A1); and London to Scotland East (M1, A1M). A report on the published Route Strategies will be taken to WYCA Transport Committee.

International Connectivity

- 2.17 On Thursday 2 February, the Independent International Connectivity Commission launched its report examining the economic role of international connectivity for the North of England. This report included the Commission's assessment of the current role of the North's airports and ports in providing the required global connectivity for passengers and freight and the actions that are necessary to improve connectivity to support a more global approach to business and the visitor economy.

Establishing TfN

- 2.18 Every constituent authority of TfN, including WYCA, has to consent to draft Regulations to establish the TfN before they are laid before Parliament (and district authorities as highways authorities will also have to consent to the Regulations if they give TfN concurrent highways functions). It is currently anticipated that this consent will be requested in September 2017, with the Regulations to formally establish TfN as a sub-national transport body being made in November 2017.

3. Financial Implications

- 3.1 None as a result of this report.

4. Legal Implications

- 4.1 None as a result of this report.

5. Staffing Implications

- 5.1 None as a result of this report.

6. External Consultees

- 6.1 None.

7. Recommendations

- 7.1 That the report is noted.

8. Background Documents

- 8.1 None.