WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE

MEETING TO BE HELD AT 11.00 AM ON FRIDAY, 16 JUNE 2017
IN COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS

A G E N D A

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

1. To highlight Appendix A to Agenda 7 and Appendices A and B to Agenda Item 8 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.

2. To consider whether or not to accept the officers' recommendation in respect of the above information as set out at paragraph 4.1 of Agenda Item 7 and paragraph 6.1 of Agenda Item 8.

3. If the recommendation is accepted, to formally pass the following resolution:-

   RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix A to Agenda Item 7 and Appendices A and B to Agenda Item 8 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. MINUTES OF THE MEETING OF THE WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE HELD ON 8 MARCH 2017
(Pages 1 - 8)

5. LEEDS CITY REGION GROWTH DEAL DELIVERY
(Pages 9 - 38)

6. CAPITAL SPENDING AND PROJECT APPROVALS
(Pages 39 - 168)

7. LEP LOAN 102
(Pages 169 - 172)

8. ESIF SUSTAINABLE URBAN DEVELOPMENT
(Pages 173 - 174)

Signed:

WYCA Managing Director

MINUTES OF THE MEETING OF THE WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE HELD ON WEDNESDAY, 8 MARCH 2017 AT COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON HOUSE, LEEDS

Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Barry Collins	Calderdale Council
Councillor Ian Gillies	City of York Council
Councillor Richard Lewis	Leeds City Council
Councillor Peter McBride	Kirklees Council
Councillor Alex Ross-Shaw	Bradford Council

In attendance:

Councillor Eric Firth	Kirklees Council
Councillor David Jones	Wakefield Council
Ben Still	WYCA
Melanie Corcoran	WYCA
Angela Taylor	WYCA
Rachel Jones	WYCA
Jess McNeill	WYCA
Sally Hinton	WYCA
Heather Waddington	WYCA
Justin Wilson	WYCA
Neil Evans	Leeds City Council
Polly Cook	Leeds City Council
Ruth Chaplin	WYCA

31. Apologies for Absence

Apologies for absence were received from Roger Marsh, WYCA/Leeds City Region LEP and Councillor Denise Jeffery, Wakefield Council.

32. Declarations of Disclosable Pecuniary Interests

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

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

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

34. Minutes of the Meeting held on 4 January 2017

Resolved: That the minutes of the West Yorkshire and York Investment Committee held on 4 January 2017 be approved and signed by the Chair.

35. Leeds City Growth Deal Delivery

The Committee considered a report which provided an update on:

- progress made in implementing and achieving target expenditure on Growth Deal (Rounds 1 and 2);
- work undertaken with Local Authority partners in conjunction with the Investment Committee to drive delivery and spend; and
- the outcome of the Annual Conversation following a second meeting which took place with the Cities and Local Growth Unit (CLoG) on 31 January 2017.

Members were advised that the spend target for 2016/17 was £86.5m but following the monthly monitoring of the Programme the forecast had been revised to £81.07m. A review had been undertaken to identify issues/actions required to ensure the revised expenditure could be achieved and details of the most significant risks were outlined in the submitted report.

The Committee noted the Dashboard Report which was attached at Appendix A. This provided information on spend against allocation and forecast for all approved projects with a red, amber or green (RAG) rating for progress to date. It was agreed that this would be updated and brought to future meetings of the Committee. Members also noted a list of West Yorkshire Plus Transport Fund pipeline projects which was attached at Appendix B.

Members noted the outcomes of the workshop held on 25 January 2017 and considered it had been successful in addressing key issues and identifying projects and methodologies aimed at accelerating expenditure and principles to manage the delivery of the Growth Deal programmes. This included the proposed funding criteria for Transformational Projects which was attached at Appendix C. The resource implications associated with the acceleration of projects was discussed and members were advised that WYCA would continue to liaise with the District Councils/Directors of Development on the proposals to recruit additional staff across a range of skills. It was proposed that a further workshop be arranged in April 2017 which would be aimed to better understand priorities across West Yorkshire.

It was reported that the second meeting of the Annual Conversation with the Cities and Local Growth Unit (CLoG) had been held on 31 January 2017 and it was considered that this had been positive.

Resolved:

(i) That the progress in delivering the Growth Deal (Rounds 1 and 2) be noted.

(ii) That the criteria for assessing RAG (red, amber, and green) ratings for 2017/18 as detailed in the submitted report be endorsed.

(iii) That the West Yorkshire Plus Transport Fund Transformation Projects funding criteria as set out in Appendix B be endorsed.

(iv) That the principles of over-programming by up to 30% over a three year programme period be endorsed.

(v) That the Investment Committee supports WYCA to lead a recruitment campaign to appoint 20-25 FTEs to accelerate project delivery in the West Yorkshire Plus Transport Fund.

36. Capital Spending and Project Approvals

The Committee considered a report on proposals for the progression of, and funding for, a number of West Yorkshire plus Transport Fund and Growth Deal projects at Stages 1, 2 and 3.

The Committee considered the following projects:

Stage 1: Pipeline (Eligibility)

<u>A629 Halifax to Huddersfield Corridor Phase 5 – Case Paper (Activity 2)</u>

It was reported that the A629 interventions were being delivered jointly by Kirklees Council and Calderdale Council. The funding request related to the Phase 5 section being led by Kirklees Council covering the section between Huddersfield Ring Road and Ainley Top roundabout. Members welcomed the scheme which would provide an important link between Huddersfield and Halifax, particularly in view of the forthcoming hospital closure in Huddersfield. The Committee was asked to consider recommending the funding request for £202k to WYCA for approval to progress through Decision Point 2 to Activity 3 (Outline Business Case).

<u>Enterprise Zone Phase 2 (Part 2 Feasibility) – Case Paper (Activity 2)</u>

The Committee acknowledged that Enterprise Zones (EZs) are seen as a key part of the Government’s national agenda. It was noted that the Leeds City Region EZs comprised of the Leeds EZ (Phase 1) and nine further EZs for Phase 2. In order to develop the programme for Phase 2, further feasibility and masterplanning work was required to identify the packages of site-specific interventions.

The request was for the Investment Committee to consider recommending to the WYCA that funding of £165k be approved for EZ Phase 2 (Part 2) to enable the procurement of the feasibility work and that confirmation of the match funding and start of the procurement be sent to Department of Communities and Local Government (DCLG).

The full Leeds City Region Enterprise Zones programme (10 sites) would be brought to the next meeting of the Committee. It was noted that York Central Enterprise Zone was being progressed separately and this would be highlighted in the report.

West Yorkshire Traffic Signal Asset Risk Avoidance – EOI (Activity 1)

The Committee was advised that the Programme Appraisal Team (PAT) had considered the scheme to replace critically aged traffic signal equipment across West Yorkshire at a cost of £25.8m. The PAT had agreed that the scheme in its current form did not meet the funding criteria for Growth Fund. It had therefore been agreed with the scheme promoter that other funding options, including the possibility of bringing the scheme forward as part of wider corridor improvements, be explored.

Stage 2: Pipeline Development

York Outer Ring Road (A1237) – Change Request (Outline Business Case) (Activity 3)

It was reported that the full costs for developing the project to Decision Point 5 had been calculated as £2.45m. It was noted that funding of £208k had previously been approved and now that City of York Council was a full member of the West Yorkshire Plus Transport Fund, subject to a signed partnership agreement being in place, the full costs of developing the project could be funded from the Growth Deal. The Committee considered a request to recommend to WYCA funding for an additional £2.24m from the West Yorkshire Plus Transport Fund to continue to progress through to Activity 4 (Full Business Case).

A629 Halifax to Huddersfield Corridor Phase 1a – Full Business Case (Activity 4)

The Committee considered a request to recommend to WYCA funding of £2.2m to undertake further development works to progress the scheme from Activity 4 (Full Business Case) through Activity 5 (Finalise Costs). The request included £1.5m to repay incurred costs at risk and £708k for further development works including final land acquisitions and further utility advanced diversions. It was reported that the full total cost of the scheme had increased to £8.505m. Members noted that Calderdale Council have gone out to tender to secure a contractor partner and, with clarification from Calderdale Council that any cost overruns are to be at their risk, it was proposed that subsequent progression to Decision Point 5 to a maximum funding total of £8.5m be approved by delegation to the Managing Director.

Leeds City College – Quarry Hill – Change Request (Finalising Costs) (Activity 5)

Members were advised that following WYCA approval, the college has now exchanged contracts for the Quarry Hill land acquisition. It was reported that due to a number of factors detailed in the submitted report, the total project costs are higher than estimated and are now forecast to be £57m. This had no impact on the grant request and WYCA's grant contribution remains the same at £33.4m although the programme will be delayed by 10 months with completion anticipated in June 2019.

The Committee approved the total project cost increase and extension of the project by 10 months. They recommended to the Managing Director that assets from disposal are used to cover the increase in project costs, whilst any remaining surplus would return to WYCA.

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

It was reported that approval of £7m had been given by WYCA on 31 March 2016. It was agreed that the funding should be split into a £3m loan and a £4m grant. However, in order to reflect a number of key changes to the project which were set out in the report, Leeds City Council (LCC) had now submitted a revised Full Business Case, a summary of which was attached at Appendix 5. In view of the scale of change and identified risks, the Investment Committee were asked to reconsider the project and they discussed a number of options which were set out in the submitted report.

It was agreed to recommend Option C which would be to provide a £10m grant with a conditional approval. This would be subject to the full funding package being secured from other sources and robust evidence regarding anticipated levels of demand being provided at the next meeting of the Investment Committee.

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 National Non-Domestic Rates (NNDR) payments due from the District Heat Network or from the project's budget.

Projects in Stage 3 – Delivery & Evaluation

Kirklees Housing Project – Change Request (Delivery)(Activity 6)

It was reported that since the initial Kirklees Housing Project loan of £1m was approved in July 2015 there had been reconsideration of the 'loans first' principle. In contrast to other similar loans which are interest free, this project was the only one which had an interest rate applied and Kirklees Council have asked WYCA to review the position.

The Committee considered the request and recommended to the Managing Director to change the £1m loan at 2% interest to an interest free loan of £800k and a £200k project development grant. This would bring the Kirklees Housing Project in line with other Local Growth Fund projects and allow for the claiming of staff time as eligible project development costs.

Resolved:

(i) To recommend to WYCA approval 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 Programme Appraisal Team (PAT), Investment Committee and WYCA at Decision Point 3 to request further development costs and land acquisition costs.

(ii) To recommend to WYCA that pre-feasibility funding of £165k be approved for **EZ Phase 2 (Part 2)** to enabled the procurement of the feasibility work and that confirmation of the match funding and start of procurement be sent to Department for Communities and Local Government (DCLG). That the full programme be brought back to the PAT, Investment Committee and WYCA for consideration in June 2017.

(iii) To recommend to WYCA approval of £2.24m funding for the **York Outer Ring Road (A1237)** scheme to continue progress through to Activity 4 (Full Business Case).

(iv) To recommend to WYCA approval of £2.2m funding for the **A629 Halifax to Huddersfield Corridor Phase 1a** 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 be recommended for approval through delegation to the Managing Director.

(v) That the total cost increase for the **Leeds City College – Quarry Hill** project and extension of the programme by 10 months be approved and to recommend through delegation to the Managing Director that assets from disposal are used to cover the increase in project costs, whilst any remaining surplus would return to WYCA.

(vi) To recommend to WYCA Option C for the **Leeds District Heat Network**, to provide a £10m grant with a conditional approval 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

(vii) To recommend through delegation to the Managing Director to change the £1m loan at 2% interest for the **Kirklees Housing** Project to an interest free loan of £800K and a £200k project development grant to bring the project in line with other Local Growth Fund projects and allow for the claiming of staff time as eligible project development costs.

37. ESIF Sustainable Urban Development

The Committee was given a presentation which provided the background on how the Sustainable Urban Development (SUD) Intermediate Body (IB) delegations will work and an overview of the process and shape of the SUD Call.

Members were provided with information on the roles and responsibilities of the Investment Committee and WYCA as IB and how the SUD Call will be developed and delivered.

It was noted that the SUD Strategy set out how it will use the SUD allocation (approximately £15m - £17m) to support projects which will focus on environmentally sound and resilient site development, to unlock economic growth sites to support SMEs in the SUD area (West Yorkshire and York). 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.

Resolved: That the draft call be prepared and presented for advice at the next meeting.

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Director: Melanie Corcoran, Director, Delivery
Author: Lynn Cooper

WEST YORKSHIRE COMBINED AUTHORITY

Report	West Yorkshire and York Investment Committee
Date	16 June 2017
Subject	Leeds City Region Growth Deal Delivery

1. Purpose

1.1 To update the Committee on:

- the terms and conditions for receipt of the Growth Deal award 2017/18 including Key Performance Indicators;
- progress made in implementing, and achieving Growth Deal target expenditure 2016/17;
- the Growth Deal 2019/20 Review progress;
- profiled expenditure for the 2017/18 financial year; and also
- to seek agreement to endorse the revised estimate of profiled expenditure on the Programme up to 2020/21; and
- to agree the source of budget for the Finance Yorkshire Extension Fund.

2. Information

Annual Funding 2017/18 and Key Performance Indicators

2.1 The Cities and Local Growth Unit has now confirmed the payment arrangements for the Growth Deal for 2017/18 which includes the Round 3 award. The revised payment schedule for the remainder of the Programme is as follows:

2017/18		**2018/19**	**2019/20**	**2020/21**
April Payment	**Subject to Conditions**	**Future indicative**		
£30,000,000	£42,228,329	£74,349,287	£75,510,320	£100,338,062
Revised Total: £516,350,139 (includes £195,924,141 received in 15/16 and 16/17)				

2.2 The first payment of £30m for 2017/18 has been received, the second payment is dependent on achievement of conditions. These are in the form of seven Key Performance Indicators (KPI's) which have been jointly developed with the Cities and Local Growth Unit Relationship Manager. The draft KPI's have been reviewed by

Chief Executives, Directors of Development and the LEP Board and are currently subject to clearance within the Cities and Local Growth Unit. The KPI's are detailed in the attached **Appendix A**.

2.3 The Cities and Local Growth Unit are keen to see progress on two main issues which are addressed by the KPI's, these are:

- Capacity and resources to manage and deliver the programme;
- Delivery of projects including driving forward approval of funding and commencing on site delivery, as well as achievement of outputs and expenditure.

2.4 The achievement of these KPI's will be considered at a meeting with the Cities and Local Growth Unit that will take place at the end of October 2017 in order to allow release of the funding shortly after. City region partners will be using this mid-year review to seek to amend our assessment criteria to additional economic outcomes beyond jobs and homes.

The table below summarises the current progress towards achievement of each KPI.

Key Performance Indicator	**Progress Towards Achievement**
KPI 1 - 75% of these posts will be filled by end June. Remaining posts will either be recruited internally or externally appointed by end September.	The business plan for the Delivery Directorate has been agreed. Job Evaluation of posts is ongoing. We are on track to appoint 75% of posts from existing staff by the end of June.
KPI 2 - At least 10 appointments will be made, and a decision taken on how to cover remaining gaps (including possible appointment of a strategic partner to provide consultancy support), by end of July. Strategic partner (or equivalent) will be appointed by end of September.	Recruitment of a resource pool to support WY+TF has commenced with district partners. We are on track to make initial appointments by end July.
KPI 3 - WYCA and LAs, with the HCA where appropriate, will identify by end June the additional capacity required to accelerate the delivery of housing and regeneration projects (and associated housing and employment outputs). Arrangements to address the identified capacity gap will be in place by end of September.	Discussions are ongoing with Directors of Development, required capacity will be identified in June. Further consideration is required to agree how this capacity gap will be addressed.
KPI 4 - An additional £26m of growth deal projects will be fully approved and ready to	This includes the following projects expected to progress to

move in to delivery* by end September, increasing the total value to £273.71m (53%) of the programme.	Decision Point 5 by end September: Business Growth Programme £9m, Strategic Inward Investment Fund £12.45m and Digital Sector Soft Landing Scheme £1m, Railway Station Car Parks £13.73m. **Total £36.18m**
KPI 5 – 5 additional projects will commence by end September 2017 and 6 projects will be completed during Quarters 1 & 2.	**Projects which are due to commence are:** Hebden Bridge and Fitzwilliam Rail Station Car Parks, Strategic Inward Investment Fund, Digital Soft Landing Scheme, Business Growth Programme **Project due to complete are:** Leeds Printworks, Wakefield College, Selby College, Bradford College, Wakefield Eastern Relief Road and Aire Valley Park and Ride All eleven projects are on track to commence / complete as expected.
KPI 6 - 250 further jobs will delivered by end September 2017, bringing the lifetime total so far to 2,850.	Achievement of this KPI is expected to be realised by the Business Growth Programme, Access to Capital Grants and the Resource Efficiency Fund
KPI 7 - A further £20m LGF will be defrayed by end September and the LEP/WYCA will confirm progress at the mid-year review towards the £100m planned expenditure for 2017/18 (139% of GD1-3 allocation).	Currently working through spend profiles with sponsors. Although there are delivery risks, acceleration of schemes is being looked at and it is expected that targets will be met.

Investment Committee Workshop

2.5 A second Investment Committee members and officers workshop took place on 18 May 2017. The workshop:

- Concluded that it provided an excellent forum in which to share the priorities of LCR district partners and WYCA and raise awareness of proposed / ongoing projects;
- Agreed to hold an annual workshop to include a meeting and site visit(s);

- Agreed the development of marketing materials setting out the priorities of the City Region;
- Agreed a medium term resource plan to be developed aimed at addressing skills shortages;
- Agree to collate a resource pack that pulls together the handouts / key information for partners as presented at the workshop.

Lifetime Expenditure Profile

2.6 The Cities and Local Growth Unit in consideration of the performance of the Leeds City Region Growth Deal has sought reassurance on when the balance of funding, paid by the Government to WYCA in 2015/16 and 2016/17, would be spent. In September 2016 the Investment Committee agreed a revised profile of expenditure for the Programme (based on GD rounds 1 and 2 award). Below is a further revised profile which now includes the additional Growth Deal 3 allocation, this takes into consideration a realistic profile based on risk and details when current underspend on annual payments will be utilised.

	2015/16	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**Total**
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Growth Deal Income	£68.26	£127.66	£72.23	£74.35	£73.51	£100.34	£516.35
Estimated GD Expenditure	£38.02*	£84.77*	£100.15	£112.00	£114.14	£67.27	£516.35
Difference	£30.24	£42.89	-£27.92	-£37.65	-£40.63	£33.07	
Balance	£30.24	£73.13	£45.21	£7.56	-£33.07	£0.00	
* Actual							

2.7 It should be noted that this profile does not match the Dashboard in **Appendix B**. This is because the above profile is based on currently approved projects (at Decision Point 5) whereas the Dashboard includes estimates of pipeline spend that cannot be verified until the Full Business Case and Finalised Costs have been approved. If these projects come forward as forecast the Programme will spend earlier and will be subject to an earlier borrowing requirement. The £100.15m profiled for 2017/18 is in accordance with expenditure agreed with delivery partners for each project.

3. Growth Deal Expenditure and Delivery

Final Outturn 2016/17

3.1 The final outturn spend on the Growth Deal 2016/17 is detailed below (note this is subject to confirmation in the WYCA statutory financial accounts).

		2016/17	
		Target Expenditure	Final Outturn Estimate
Priority 1 Growing Business		£11.62m	£12.27m
Priority 2 Skills Capital		£29.40m	£30.12m
Priority 3 Clean Energy and Economic Resilience		£1.30m	£0.87m
Priority 4a Housing and Regeneration		£4.34m	£5.52m
Priority 4b WYTF	In delivery	£32.28m	£21.94m
	Pipeline		£5.58m
Priority 4c Flood Resilience		£7.80m	£7.79m
WYCA Delivery Costs non transport (staffing and management costs which are not project specific)			£0.68m
Total		**£86.75m**	**£84.77m**

3.2 The final outturn of £84.77m represents achievement of 98% of profiled spend. A considerable amount of work has been undertaken both within WYCA, district councils and other external partners to achieve this position.

Project Progress and Risk Assessment 2017/18

3.3 The Dashboard Report which details forecast and actual expenditure on each project is attached as **Appendix B** along with the WY+TF Pipeline which is **Appendix C**. At its last meeting the Investment Committee agreed that the RAG rating would be assessed using the following criteria:

- % forecast outturn against annual allocation
- % actual expenditure against quarterly spend profile
- risk of not achieving full expenditure of annual allocation (this will take in to consideration the amount of annual allocation included in the final quarter as expenditure heavily weighted in the last quarter of the year represents a significant risk of underspend)

3.4 It is now proposed that a further criteria should be added. Some of the expenditure forecast by project sponsors within this financial year is subject to approval of Outline and / or Final Business Case. Target dates for submission and consideration of these have or are due to be agreed. Where target dates are not achieved this puts at risk the ability to achieve expenditure within the year. It is proposed the achievement of agreed submission deadlines should be taken into consideration when assessing pipeline projects.

3.5 Individual programme managers within WYCA will now assess the RAG rating based on the above criteria in consultation with the individual delivery partners. The above criteria are utilised to assess the level of risk of each project achieving its target expenditure.

Overall Programme Risk

3.6 The main risk to the Programme is the failure to achieve the £100.15m profiled expenditure for 2017/18. This risk is carefully monitored through ongoing review of individual projects and RAG rating of each one. The key areas of risk of achieving expenditure can be summarised as follows:

- New projects in the pipeline which are subject to approval (either of the full business at decision point 5 or development costs at decision point 2) in 2017/18: total £32.9m. At 33% of total forecast spend this represents the greatest risk to the programme. This must be assessed as a Red risk, mitigation involves ongoing support and additional capacity ensuring that projects are brought forward in accordance with agreed timetables.

- Slippage of projects currently in delivery e.g. Leeds College of Building. The majority of these projects will only be identified as the Programme progresses. The main mitigation will be to accelerate expenditure on other projects wherever possible.

- Projects where funding is approved but where legal agreement is not yet signed e.g. Huddersfield Incubation and Innovation Programme. Minimal risk to the overall Programme, whilst this is a Red risk for the project it is only an Amber risk for the Programme.

- Projects which are approved but where a decision on match funding is awaited before the project(s) can commence e.g. Energy Accelerator, this relates to very few projects and is a Green rated risk.

3.7 Profiled spend on the Growth Deal for 2017/18 is in accordance with expenditure per project which has been agreed with delivery partners. The monitoring for 2017/18 will commence with the first review of expenditure and progress up to May 2017.

Outputs and Achievements

3.8 The Leeds City Region Growth Deal Programme is now entering its third year of delivery and a number of major projects have either reached completion or will do so in the over the next six months. These include:

- **Wakefield Eastern Relief Road** – the first major WY+TF transport project to be completed, opened on 27 April 2017

- **Aire Valley Park and Ride** – the second major transport project will be complete and opened this month.
- Four skills capital projects are due to be formally opened by October: **Selby College, Bradford College, Leeds City College Printworks and Wakefield College.**
- A number of station car park extensions are due to commence on site over the summer with **South Elmsall** already on site and due to open in June.

3.9 The Growth Deal rounds 1 and 2 has two main output targets to achieve: creation of 10,000 jobs and building 2,000 new homes. Each project within the Growth Deal must contribute to achievement of these outputs. The table below details the forecast timetable for achievement of these outputs based on the approved projects within the programme:

Jobs created or safeguarded	**2015/ 16**	**2016/ 17**	**2017/ 18**	**2018/ 19**	**2019/ 20**	**2020/ 21**	**2021/ 25**	**Total**
Priority 1	225	2,304	663	639	344	317	0	4,492
Priority 2	0	0	5	2	6	24	0	37
Priority 3	0	0	0	1	2	2	10	15
Priority 4 H&R	0	0	100	515	1,787	1,412	300	4,114
Priority 4 WYTF	0	0	1,928	7,143	534	6,110	18,067	33,782
Priority 4 EcRes	0	75	250	175	22,500	0	0	23,000
Total	225	2,379	2,946	8,475	25,173	7,865	18,377	65,439
New homes created	**2015/ 16**	**2016/ 17**	**2017/ 18**	**2018/ 19**	**2019/ 20**	**2020/ 21**	**2021/ 25**	**Total**
Priority 4 H&R	0	0	8	88	250	829	911	2,086
Priority 4 WYTF	0	0	0	350	96	2,951	10,058	13,455
Total	0	0	8	438	346	3,780	10,969	15,541

3.10 Some projects can demonstrate direct achievement of outputs, to date the Business Growth Programme has created 2,600 jobs (in accordance with the Growth Deal definition). However a number of the projects within the programme will, by their nature, only achieve these outputs indirectly. An example of this is that transport projects will not create sustainable jobs or new homes themselves but will instead open up areas where new jobs and homes will be created. In order to be able to claim these outputs all LEP's have to identify Growth Deal impact sites which are to be mutually agreed with the Government. Note: It is likely that there is some double counting in the figures above as some will be achieved directly and others indirectly, this issue will need to be addressed and will be considered in consultation with partner organisations once the impact areas are agreed.

3.13 The opportunity afforded through the agreement of the impact sites will be used to engage in further discussions with the Government to consider a wider acknowledgement of the outputs achieved by the Programme.

2019/20 Independent Evaluation of the West Yorkshire Plus Transport Fund Investment

3.14 To date, eleven city-regions, including LCR, have agreed devolved funding arrangements with Government. These funds are subject to five-year Gateway Reviews to evaluate whether (and if so, the extent to which) locally determined investments and interventions have had a positive impact on economic growth – which will in turn inform Government decision-making by ministers regarding the allocation of future funding to the individual Localities.

3.15 As part of the Growth Deal arrangements, a 2019/20 Independent Evaluation of Gainshare Investment Funds has been agreed with the eleven City Regions. Leeds City Region's review requirements relate solely to the West Yorkshire plus Transport Fund (WY+TF). Government have stated that subject to the outcome of the first Gateway review in 2019/20, they will provide up to £420m over the period 2021/22 to 2034/2035 for the West Yorkshire plus Transport Fund. This funding will be provided as up to £30m per annum from 2021/22 to 2034/35.

3.16 The success of the 2019/20 GD Peer Review is critical for WYCA in that ongoing funding will potentially be withdrawn if we are deemed to have not met the required criteria. It should also be noted that one of the other elements of the City Deal that secured this scale of funding for the WY+TF was a local contribution from the West Yorkshire partner authorities. It has already been previously agreed that part of the transport levy be set aside to create the starting point for funding that will support borrowing but it is expected in the next few years, as the scale of delivery increases, that further funding and borrowing on a more significant scale will be required. Further work is underway to establish the timing and quantum of these requirements against the projected delivery programme.

3.17 Consultants SQW have been appointed at a national level to undertake the progress reviews and are working to tight timescales to develop their approaches to reviewing progress at the National and Local levels. Initial work undertaken has recognised that a level of realism is required around what can be reported at Gateway 1 in 2019/20, since it is accepted that much of the spend to date will not be able to demonstrate outcomes by the time of the Gateway. Four key areas of focus flow from this emerging conclusion:

- Progress against stated milestones;
- The delivery of outputs (and intermediate outcomes);
- Increased emphasis around the growth in local capacity and cross-area working;
- The need for data collection in real time.

3.18 The principles of a National Framework have been developed by SQW, and have been widely discussed and agreed by the eleven authorities involved on an 'in principle' sign-off basis. A summary is included at **Appendix D** to the report.

3.19 Following agreement of the National Framework, SQW will work with the LCR to develop a local Monitoring & Evaluation framework for the Transport Fund. The aim is to complete this work by early autumn. This 'Locality Framework' will be a critical document for WYCA and its LCR partners, and will be brought back to Investment Committee for consideration.

3.20 After the first Gateway in 2019-20, the independent impact assessment panel will continue to monitor the progress of the City Region on the delivery of the locally agreed pipeline of schemes against the dimensions of scope, budget and timing, and against other agreed targets. Monitoring will be aligned as far as possible with regular, wider Growth Deal monitoring and evaluation arrangements and reporting cycles.

4. Growth Deal Budget

4.1 In 2016 WYCA and the Sheffield City Region CA each agreed to allocate £2.5m for a Finance Yorkshire Extension Fund to support SME growth, via debt and equity finance, across the two city regions until the new Northern Powerhouse Investment Fund (NPIF) became fully operational. In July 2016, the Combined Authority agreed to the £2.5m allocation from the Growth Deal programme on the clear proviso that any funding not invested with SMEs prior to the launch of NPIF would be returned to WYCA. The Extension Fund commenced investment activity in early 2017 and closed at the end of March 2017 at which point NPIF was fully operational. The Extension Fund did not take up the full amount of available funding, in practice it provided debt finance to five businesses in Leeds City Region at a collective cost of £511,500. This will leverage £2.55m of private investment and create 19 new jobs. The investments will be monitored by WYCA staff over the coming months. The NPIF has now commenced so £511.5k represents the final cost of this project to the Growth Deal.

4.2 At the time of the approval the source of the Growth Deal funding for the Extension Fund was not clearly stated. In order to clarify the accommodation of the project within the Growth Deal programme it is proposed that it should be included within the allocation of the Access to Capital Grants programme which totals £15.7m. The Finance Yorkshire Extension Fund represents a clear strategic fit to Access to Capital Grants which provides finance for a number of separate projects that support businesses to access capital finance, these include: grant support for supply chain development, finance for business start-ups and grant funding to support business innovation.

5. Financial Implications

5.1 As set out in the report.

6. Legal Implications

6.1 There are none arising directly from this report.

7. Staffing Implications

7.1 There are none arising directly from this report.

8. Recommendations

8.1 That the Investment Committee endorses the proposed KPI's for 2017/18 detailed in Appendix A.

8.2 That the Investment Committee endorses the revised spending profile for 2017/18 in paragraph 2.6.

8.3 That the Investment Committee notes the final outturn estimate of £84.77m for 2016/17.

8.4 That the Investment Committee endorses the inclusion of an additional criteria to be taken into consideration when considering the RAG rating of pipeline projects: achievement of target dates for submission of Outline and Final Business Cases.

8.5 That the Investment Committee notes the methodology for defining impact areas and therefore establishing the outputs for the Programme.

8.6 That the Investment Committee notes the progress relating to the 2019/20 review.

8.7 That the Investment Committee support the proposal to specifically allocate the Finance Yorkshire Extension Fund £511,500 (already approved) from within the Access to Capital Grants programme.

9. Background Documents

9.1 None.

Leeds City Region Growth Deal 2017/18

Key Performance Indicators

Programme and Project Management Capacity

WYCA is undergoing a One Organisational design process. Business cases for Delivery and Policy and Strategy have been approved in March / April 2017. These include 8 programme management posts, 11 project definition / development posts and 22 project management posts.

KPI 1 - 75% of these posts will be filled by end June. Remaining posts will either be recruited internally or externally appointed by end September.

Acceleration of project development and delivery

West Yorkshire plus Transport Fund

WYCA and project sponsors (LAs) have identified a need for between 20 and 25 FTE posts to accelerate project development and address specific skills gaps. This resource requirement will be met via direct recruitment and where gaps remain through recruitment of a strategic partner.

KPI 2 - At least 10 appointments will be made, and a decision taken on how to cover remaining gaps (including possible appointment of a strategic partner to provide consultancy support), by end of July. Strategic partner (or equivalent) will be appointed by end of September.

Housing and Regeneration

WYCA and LAs have identified a need to boost capacity to drive housing and regeneration projects in to full development (ie. beyond initial feasibility/demolition/enabling works).

KPI 3 - WYCA and LAs, with the HCA where appropriate, will identify by end June the additional capacity required to accelerate the delivery of housing and regeneration projects (and associated housing and employment outputs). Arrangements to address the identified capacity gap will be in place by end of September.

Overall

The Leeds City Region Growth Deal Programme to 2020/21 includes Government funding of £516.35m, £247.7m (48%) was approved as at March 2017.

KPI 4 - An additional £26m of growth deal projects will be fully approved and ready to move in to delivery* by end September, increasing the total value to £273.71m (53%) of the programme.

*projects approved at decision point 5, with full business cases and finalised costs

Driving projects and delivering outputs

KPI 5 - 5* additional projects will commence by end September 2017 and 6** projects will be completed during Quarters 1 & 2.

*Commencing - rail station car parks at Hebden Bridge and Fitzwilliam, Strategic Inward Investment Fund, Digital Soft Landing Scheme, Business Growth Programme

** Completing - four skills capital projects (Leeds Printworks, Wakefield College, Selby College, Bradford College) plus Wakefield Eastern Relief Road and South Elmsall Rail Park and Ride

KPI 6 - 250 further jobs will delivered by end September 2017, bringing the lifetime total so far to 2,850.

LGF Expenditure

KPI 7 - A further £20m LGF will be defrayed by end September and the LEP/WYCA will confirm progress at the mid-year review towards the £100m planned expenditure for 2017/18 (139% of GD1-3 allocation).

Growth Deal dashboard

2017/18 Target	£100,154,776	Forecast	£97,934,452
		Actual	£0

Figures accurate up to:	End of May 2017

Expenditure relates to GD1 & 2 except where specifically noted

Project name	Project responsibility	Previous years spend		In-year spend and RAG rating (2017/18)			Future forecast spend			TOTAL spend (actual + forecast)
	Senior Responsible Officer	2015/16	2016/17	Agreed annual allocation	Total of actual and forecast	RAG rating	2018/19	2019/20	2020/21	
Business Growth Programme	Sue Cooke	£6,660,742	£8,337,742	£3,001,516	£3,001,516	GREEN	£0	£0	£0	£18,000,000
Access to Capital Grants Programme	Sue Cooke	£0	£1,513,095	£1,671,020	£1,671,020	GREEN	£4,889,644	£4,352,397	£2,531,344	£14,957,500
Huddersfield Incubation & Innovation Programme	*Liz Townes-Andrews*	£0	£0	£2,983,986	£2,922,000	RED	£0	£0	£0	£2,922,000
Leeds University Innovation Centre	*Ceri Williams*	£0	£2,416,585	£613,415	£583,415	GREEN	£0	£0	£0	£3,000,000
Priority 1 pipeline	Henry Rigg/David Shepherd			£5,250,000	£5,250,000		£6,250,000	£5,250,000	£5,700,000	£22,450,000
Priority 1: Growing Business		**£6,660,742**	**£12,267,422**	**£13,519,937**	**£13,427,951**		**£11,139,644**	**£9,602,397**	**£8,231,344**	**£61,329,500**
Round 1 - Shipley College Mill	*Nav Chohan*	£119,000	£0	£0	£0	N/A	£0	£0	£0	£119,000
Round 1 - Leeds City College Printworks	*Jane Pither*	£933,800	£7,794,608	£270,167	£270,167	GREEN	£0	£0	£0	£8,998,575
Round 1 - Calderdale College	*Denise Cheng Carter*	£2,000,000	£2,977,000	£0	£0	N/A	£0	£0	£0	£4,977,000
Round 1 - Kirklees College	*Ian Webster*	£3,000,996	£100,001	£0	£0	N/A	£0	£0	£0	£3,100,997
Round 2a - Wakefield College	*John Foster*	£0	£3,327,133	£0	£0	N/A	£0	£0	£0	£3,327,133
Round 2a - Selby College	*Liz Ridley*	£0	£693,748	£0	£0	N/A	£0	£0	£0	£693,748
Round 2a - Shipley College Salt Building	*Nav Chohan*	£0	£300,000	£0	£0	N/A	£0	£0	£0	£300,000
Round 2a - Bradford College	*Andy Welsh*	£0	£250,000	£0	£0	N/A	£0	£0	£0	£250,000
Round 2b - Leeds College of Building	*Ian Billyard*	£0	£1,263,639	£7,886,362	£4,930,675	AMBER	£5,555,686	£150,000	£0	£11,900,000
Round 2b - Kirklees College Learning Village	*Ian Webster*	£0	£3,367,457	£6,396,761	£7,086,488	GREEN	£667,273	£0	£0	£11,121,218
Round 2b - Leeds City College Quarry Hill	*Jane Pither*	£0	£10,045,152	£14,774,848	£15,466,166	GREEN	£5,884,682	£2,004,000	£0	£33,400,000
Priority 2: Skilled People, Better Jobs		**£6,053,796**	**£30,118,737**	**£29,328,138**	**£27,753,497**		**£12,107,641**	**£2,154,000**	**£0**	**£78,187,671**
Resource Efficiency Fund	Sue Cooke	£0	£83,634	£323,721	£156,366	GREEN	£0	£0	£0	£240,000
Energy Accelerator	Colin Blackburn	£0	£0	£490,986	£476,789	RED	£123,211	£0	£0	£600,000
Leeds District Heat Network	*David Outram*	£0	£8,345	£4,867,923	£0	RED	£6,991,655	£0	£0	£7,000,000
Tackling Fuel Poverty (Phases 1,2,&3)	Colin Blackburn	£0	£781,414	£2,092,200	£2,092,200	GREEN	£2,114,173	£0	£0	£4,987,787
Priority 3 pipeline	Colin Blackburn	£0	£0	£300,000	£300,000	N/A	£712,213	£0	£0	£1,012,213
Priority 3: Clean Energy and Economic Resilience		**£0**	**£873,393**	**£8,074,830**	**£3,025,355**		**£9,941,252**	**£0**	**£0**	**£13,840,000**
East Leeds Housing Growth - Red Hall	*Martin Farrington*	£2,000,000	£2,000,000	£0	£0	N/A	£0	£0	£0	£4,000,000
East Leeds Housing Growth – Brownfield Sites	*Martin Farrington*	£0	£1,100,000	£0	£0	N/A	£0	£0	£0	£1,100,000
Halifax Town Centre (Northgate House)	*Mark Thompson*	£300,000	£0	£0	£0	N/A	£1,000,000	£0	£0	£1,300,000
One, City Park, Bradford	*Steve Hartley*	£400,000	£0	£0	£0	N/A	£1,600,000	£2,200,000	£1,000,000	£5,200,000
Barnsley Town Centre	*David Shepherd*	£1,757,000	£0	£0	£0	N/A	£0	£0	£0	£1,757,000
Kirklees Housing sites	*Naz Parker*	£200,000	£205,000	£104,000	£104,000	GREEN	£191,000	£300,000	£0	£1,000,000
Bath Road, Leeds	*Martin Farrington*	£580,000	£0	£0	£0	N/A	£0	£0	£0	£580,000
Bradford Odeon	*Steve Hartley*	£0	£0	£0	£0	N/A	£325,000	£0	£0	£325,000
Forge Lane, Kirklees	*Paul Kemp*	£0	£0	£0	£0	N/A	£4,600,000	£0	£0	£4,600,000
York Central	*Neill Ferris*	£0	£1,421,500	£1,128,500	£1,128,500	GREEN	£0	£0	£0	£2,550,000
Wakefield Civic Quarter	*Andy Wallhead*	£0	£0	£1,085,000	£1,085,000	GREEN	£15,000	£0	£0	£1,100,000
York Guildhall	*Neill Ferris*	£0	£791,500	£1,556,000	£1,556,000	GREEN	£0	£0	£0	£2,347,500
Priority 4 H&R pipeline	See pipeline sheet	£0	£0	£0	£0	N/A	£5,111,885	£3,802,143	£5,000,000	£13,914,028
Priority 4a: Housing and Regeneration		**£5,237,000**	**£5,518,000**	**£3,873,500**	**£3,873,500**		**£12,842,885**	**£6,302,143**	**£6,000,000**	**£39,773,528**
Wakefield Eastern Relief Road	*Neil Rodgers*	£15,284,765	£14,435,236	£0	£0	N/A	£0	£0	£0	£32,019,001
		£0			£0					£0
Aire Valley Park and Ride	*Gary Bartlett*	£0	£5,950,649	£3,123,453	£2,366,679	GREEN	£0	£0	£0	£8,317,328
		£0			£733,000					£733,000
Wakefield City Centre - Phase 1 Kirkgate	*Neil Rodgers*	£0	£76,972	£0	£4,450,000	GREEN	£0	£0	£0	£4,526,973
		£0			£0					£0
South Elmsall Rail Car Parking Extension	Kate Thompson	£0	£120,000	£0	£425,665	GREEN	£0	£0	£0	£545,665
		£0			£107,682		£0	£0	£0	£107,682
Priority 4 WYTF pipeline	Development	£2,739,455	£5,583,889	£34,334,918	£14,863,645	RED	£3,609,500	£2,112,000	£1,315,000	£30,223,489
	Delivery	£0	£0		£18,349,032		£104,452,959	£185,270,752	£156,107,532	£464,180,275
*Priority 4b (WYTF) WYCA Delivery Costs	*Kate Thompson*	£1,570,197	£1,354,748	£0	£1,382,847	N/A	£1,900,000	£1,900,000	£1,900,000	£10,007,792
Priority 4b: Transport		**£19,594,417**	**£27,521,495**	**£37,458,371**	**£42,678,550**		**£85,805,538**	**£62,840,750**	**£42,459,250**	**£280,900,000**
Mytholmroyd Flood Alleviation (GD3)	*Adrian Gill*	£0	£2,500,000	£0	£0	N/A	£0	£0	£0	£2,500,000
Leeds Flood Alleviation (GD3)	*Martin Farrington*	£0	£3,786,981	£0	£0	N/A	£0	£0	£0	£3,786,981
Skipton Flood Alleviation (GD3)	*Adrian Gill*	£0	£1,500,000	£0	£0	N/A	£0	£0	£0	£1,500,000
Priority 4c: Pipeline	*Adrian Gill*			£2,000,000	£2,000,000	AMBER	£3,500,000	£4,500,000	£2,200,000	£12,200,000
Priority 4c: Flood Resilience		**£0**	**£7,786,981**	**£2,000,000**	**£2,000,000**		**£3,500,000**	**£4,500,000**	**£2,200,000**	**£19,986,981**
Priority 4d: Pipeline	Colin Blackburn			£4,000,000	£4,000,000	AMBER	£5,000,000	£5,000,000	£6,000,000	£20,000,000
Priority 4d: Enterprise Zone				**£4,000,000**	**£4,000,000**		**£5,000,000**	**£5,000,000**	**£6,000,000**	**£20,000,000**
*WYCA Delivery costs - non Tranport	Kate Thompson	£475,122	£681,739	£1,900,000	£1,175,598	N/A	£0	£0	£0	£2,332,459
Total Growth Deal expenditure		**£38,021,077**	**£84,767,767**	**£100,154,776**	**£97,934,452**		**£140,336,959**	**£90,399,290**	**£64,890,594**	**£516,350,139**

* Includes WYCA staffing and management costs

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West Yorkshire Transport Fund pipeline

Last updated		Figures accurate up to end of May 2017

Project name	Senior Responsible Officer		Prior Years spend	2015/16	2016/17 Total 16/17	Total 17/18	2018/19	2019/20	2020/21	TOTAL to March 2021
Transport projects at Stage 2 that will commence in 2017/18										
A629 Phase 1a: Jubilee Road to Free School Lane & monitoring	*Mark Thompson*	Development costs	£302,000	£160,000	£1,442,043	£708,000	£0	£0	£0	£2,310,043
		Delivery costs		£0	£0	£3,868,152	£3,258,750			£7,126,902
Fitzwilliam Country Park and Rail Car Park	*Neil Rodgers*	Development costs	£0	£0	£0	£0	£0	£0	£0	£0
		Delivery costs		£0	£0	£582,332	£0	£0	£0	£582,332
Leeds ELOR and North Leeds Outer Ring Road	*Gary Bartlett*	Development costs	£1,020,000	£929,199	£1,554,106	£1,262,452	£313,000	£10,000	£0	£4,068,757
		Delivery costs		£0	£0	£7,237,548	£27,646,000	£27,000,000	£14,814,000	£76,697,548
Leeds Station Gateway - New station Street	*Liz Hunter*	Development costs	£0	£0	£41,036	£106,500	£0	£0	£0	£147,536
		Delivery costs		£0	£0	£591,000	£1,000,000			£1,591,000
UTMC (formerly HNEP)	*Richard Hadfield (Kirklees)*	Development costs	£30,000	£0	£29,011	£130,030	£100,000	£0	£0	£259,041
		Delivery costs		£0	£0	£250,000	£1,550,000	£2,000,000		£3,800,000
Rail Parking Package - Hebden Bridge	*Melanie Corcoran*	Development costs		£0	£0	£0	£0	£0	£0	£0
		Delivery costs		£0	£0	£615,000	£615,000	£0	£0	£1,230,000
Rail Parking Package - Mytholmroyd	*Melanie Corcoran*	Development costs		£0	£0	£0	£0	£0	£0	£0
		Delivery costs		£0	£0	£1,820,000	£1,820,000	£0	£0	£3,640,000
Rail Parking Package - Shipley	*Melanie Corcoran*	Development costs		£0	£0	£0	£0	£0	£0	£0
		Delivery costs		£0	£0	£1,275,000	£1,275,000	£0	£0	£2,550,000
Rail Parking Package - Steeton and Silsden	*Melanie Corcoran*	Development costs		£0	£0	£0	£0	£0	£0	£0
		Delivery costs		£0	£0	£1,265,000	£1,265,000	£0	£0	£2,530,000
Rail Parking Package - Mirfield	*Melanie Corcoran*	Development costs		£0	£0	£0	£0	£0	£0	£0
		Delivery costs		£0	£0	£845,000	£845,000	£0	£0	£1,690,000
Rail Parking Package - Normanton	*Melanie Corcoran*	Development costs		£0	£0	£0	£0	£0	£0	£0
		Delivery costs		£0	£0	£0	£1,440,000	£0	£0	£1,440,000
Aire Valley, Leeds Integrated Transport Package - Phase 1: Aire Valley P&R	*Gary Bartlett*	Development costs		£277,672						
		Delivery costs		£0						
Wakefield City Centre Package Phase 1 Kirkgate	*Neil Rodgers*	Development costs		£72,878						
		Delivery costs		£0						
		TOTALS	**£1,352,000**	**£1,439,749**	**£3,066,196**	**£20,556,014**				
Transport projects at Stage 2 that will commence post 2017/18										
Bradford Interchange Station Gateway	*Julian Jackson*	Development costs	£0	£25,000	£20,838	£12,187	£0	£0	£0	£58,025
		Delivery costs		£0	£0	£0			£14,305,000	£14,305,000
Bradford FS Station Gateway	*Julian Jackson*	Development costs	£0	£20,000	£116,717	£1,093,915	£0	£0	£0	£1,230,632
		Delivery costs		£0	£0	£0	£1,283,700	£11,553,300		£12,837,000
A650 Tong Street	*Julian Jackson*	Development costs	£50,000	£0	£21,038	£100,023				£121,061
		Delivery costs		£0	£0	£0	£1,000,000	£2,000,000	£3,030,000	£6,030,000
Bradford to Shipley Corridor	*Julian Jackson*	Development costs	£0	£30,000	£5,011	£301,000	£0	£0	£0	£336,011
		Delivery costs		£0	£0	£0		£4,311,000	£23,916,000	£28,227,000
Harrogate Road New Line	*Julian Jackson*	Development costs	£166,000	£146,399	£15,601	£500,000	£0	£0	£0	£662,000
		Delivery costs		£0	£0	£0	£2,757,000	£1,035,000		£3,792,000
A650 Hard Ings Road - Phase 1: Hard Ings Road Only	*Julian Jackson*	Development costs	£140,000	£137,628	£301,133	£204,701	£0	£0	£0	£643,462
		Delivery costs		£0	£0	£0	£3,800,000	£2,547,000	£30,000	£6,377,000
SE Bradford Access Rd	*Julian Jackson*	Development costs	£0	£0	£0	£91,000	£0	£0	£0	£91,000
		Delivery costs		£0	£0	£0				£0
Halifax Station Gateway	*Mark Thompson*	Development costs	£5,000	£156,738	£44,171	£0	£0	£0	£0	£200,909

Agenda Item 5
Appendix C

West Yorkshire Transport Fund pipeline

Last updated		Figures accurate up to end of May 2017

Project name	Senior Responsible Officer		Prior Years spend	2015/16	2016/17 Total 16/17	Total 17/18	2018/19	2019/20	2020/21	TOTAL to March 2021
Transport projects at Stage 2 that will commence in 2017/18										
	Mark Thompson	Delivery costs		£0	£0	£0		£1,870,962	£7,483,848	£9,354,810
A629 Halifax to Huddersfield Corridor improvements monitoring	Mark Thompson	Development costs		£0	£0	£0	£0	£0	£0	£0
		Delivery costs		£0	£0	£0				£0
A629 Phase 1b: Elland Wood Bottom to Jubilee Road	Mark Thompson	Development costs	£0	£169,994	£198,719	£1,200,000	£0	£0	£0	£1,568,713
		Delivery costs		£0	£0	£0	£9,200,309	£8,275,399		£17,475,708
A629 Phase 2a: Eastern Gateway & Station Access improvements	Mark Thompson	Development costs	£340,000	£44,591	£280,192	£1,881,724	£0	£0	£0	£2,206,507
		Delivery costs		£0	£0	£0		£5,596,000		£5,596,000
A629 Phase 2b: Northern gateway and Bus Interchange/Hubs	Mark Thompson	Development costs		£4,310	£0	£0	£0	£0	£0	£4,310
		Delivery costs		£0	£0	£0	£1,407,000	£9,621,500	£9,261,500	£20,290,000
A629 Phase 2c: Southern and Western Gateways	Mark Thompson	Development costs		£5,460	£0	£0	£0	£0	£0	£5,460
		Delivery costs		£0	£0	£0	£2,000,000	£5,000,000	£2,531,000	£9,531,000
A629 Phase 4: Ainley Top	Mark Thompson	Development costs	£0	£0	£51,736	£150,000	£0	£0	£0	£201,736
		Delivery costs		£0	£0	£0		£10,000,000		£10,000,000
A641 Bradford - Huddersfield Corridor	Mark Thompson	Development costs	£0	£0	£60,829	£125,000	£0	£0	£0	£185,829
		Delivery costs		£0	£0	£0	£10,000,000	£11,000,000	£15,000,000	£36,000,000
Huddersfield Station Gateway	Richard Hadfield	Development costs	£0	£27,615	£22,385	£0	£0	£0	£0	£50,000
		Delivery costs		£0	£0	£0		£5,000,000		£5,000,000
A653 Leeds to Dewsbury Corridor (M2D2L)	Richard Hadfield	Development costs	£80,000	£0	£59,261	£160,000	£0	£0	£0	£219,261
		Delivery costs		£0	£0	£0	£2,000,000	£10,500,000		£12,500,000
M62 Junction 24a	Richard Hadfield	Development costs	£0	£0	£12,976	£35,000	£0	£0	£0	£47,976
		Delivery costs		£0	£0	£0		£18,500,000		£18,500,000
A62 and A644 Corridors incorporating Cooper bridge	Richard Hadfield	Development costs	£485,000	£110,000	£15,000	£0	£0	£0	£0	£125,000
		Delivery costs		£0	£0	£0	£10,395,000	£10,395,000	£20,790,000	£41,580,000
Wakefield City Centre Package Phase 2 Ings Road	Neil Rodgers	Development costs	£0	£0	£0	£270,000	£0	£0	£0	£270,000
		Delivery costs		£0	£0	£0		£3,017,000	£15,000	£3,032,000
Glasshoughton Southern Link Road	Neil Rodgers	Development costs	£0	£80,000	£0	£466,123	£0	£0	£0	£546,123
		Delivery costs		£0	£0	£0	£3,192,000	£2,433,000		£5,625,000
Castleford Station Gateway	tbc	Development costs	£0	£0	£20,329	£266,083	£0	£0	£0	£286,412
		Delivery costs		£0	£0	£0	£1,485,000	£1,485,000	£730,000	£3,700,000
Castleford Growth Corridor Scheme	Neil Rodgers	Development costs	£0	£67,000	£73,917	£0	£0	£0	£0	£140,917
		Delivery costs		£0	£0	£0	£11,750,000	£10,000,000		£21,750,000
Leeds Station Gateway - Yorkshire Hub	Liz Hunter	Development costs	£0	£0	£54,468	£95,000	£115,000	£95,000	£95,000	£454,468
		Delivery costs		£0	£0	£0				£0
A65-LBIA Link Road	Gary Bartlett	Development costs	£210,000	£8,688	£266,812	£1,084,134	£0	£0	£0	£1,359,634
		Delivery costs		£0	£0	£0	£1,468,200	£1,583,616	£2,270,086	£5,321,902
Leeds City Centre Network and Interchange Package	Gary Bartlett	Development costs	£319,000	£31,337	£278,000	£1,366,000	£651,500	£717,000	£0	£3,043,837
		Delivery costs		£0	£0	£0			£3,998,986	£3,998,986
Thorpe Park Station	Liz Hunter	Development costs	£0	£0	£3,382	£190,000	£285,000	£0	£0	£478,382
		Delivery costs		£0	£0	£0			£5,000,000	£5,000,000
A6110 Leeds Outer Ring Rd	Gary Bartlett	Development costs		£0	£0	£286,000	£0	£0	£0	£286,000
		Delivery costs		£0	£0	£0				£0
Rail Parking Package - Programme	Melanie Corcoran	Development costs	£58,908	£108,336	£409,181	£335,773	£0	£0	£0	£853,290
		Delivery costs		£0	£0	£0				£0
Parking extensions at Rail Stations (PEARS)	Melanie Corcoran	Development costs		£0	£137,997	£0	£0	£0	£0	£137,997
		Delivery costs		£0	£0	£0				£0

West Yorkshire Transport Fund pipeline

Last updated		Figures accurate up to end of May 2017

Project name	Senior Responsible Officer		Prior Years spend	2015/16	2016/17 Total 16/17	Total 17/18	2018/19	2019/20	2020/21	TOTAL to March 2021
Transport projects at Stage 2 that will commence in 2017/18										
York Central Access	*Neil Ferris*	Development costs	£0	**£0**	**£0**	**£930,000**	£1,050,000	£120,000	£0	**£2,100,000**
		Delivery costs		**£0**	**£0**	**£0**		£10,000,000	£20,894,000	**£30,894,000**
York Northern Outer Ring Road	*Neil Ferris*	Development costs	£0	**£0**	**£0**	**£1,040,000**	£470,000	£470,000	£420,000	**£2,400,000**
		Delivery costs		**£0**	**£0**	**£0**	£2,000,000	£8,000,000	£10,000,000	**£20,000,000**
A629 Phase 5 - Ainley Top into Huddersfield	*Richard Hadfield*	Development costs	£0	**£52,000**	**£48,000**	**£98,000**	£0	£0	£0	**£198,000**
		Delivery costs			**£0**			£2,546,975	£2,038,112	**£4,585,087**
		TOTALS	**£1,853,908**	**£1,225,096**	**£2,517,693**	**£12,281,663**				
		TOTAL development costs	£3,205,908	**£2,739,455**	£5,583,889	**£14,863,645**	**£3,609,500**	**£2,112,000**	**£1,315,000**	**£30,223,489**
		TOTAL delivery costs	£0	**£0**	**£0**	**£18,349,032**	**£104,452,959**	**£185,270,752**	**£156,107,532**	**£464,180,275**
		GRAND TOTAL	**£3,205,908**	**£2,739,455**	**£5,583,889**	**£33,212,677**	**£108,062,459**	**£187,382,752**	**£157,422,532**	**£494,403,764**

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SQW

DRAFT FOR REVIEW

Independent Evaluation of Local Growth Interventions

National Evaluation Framework

April 2017

Agenda Item 5
Appendix D

EXECUTIVE SUMMARY

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Purpose & context of the evaluation (1)

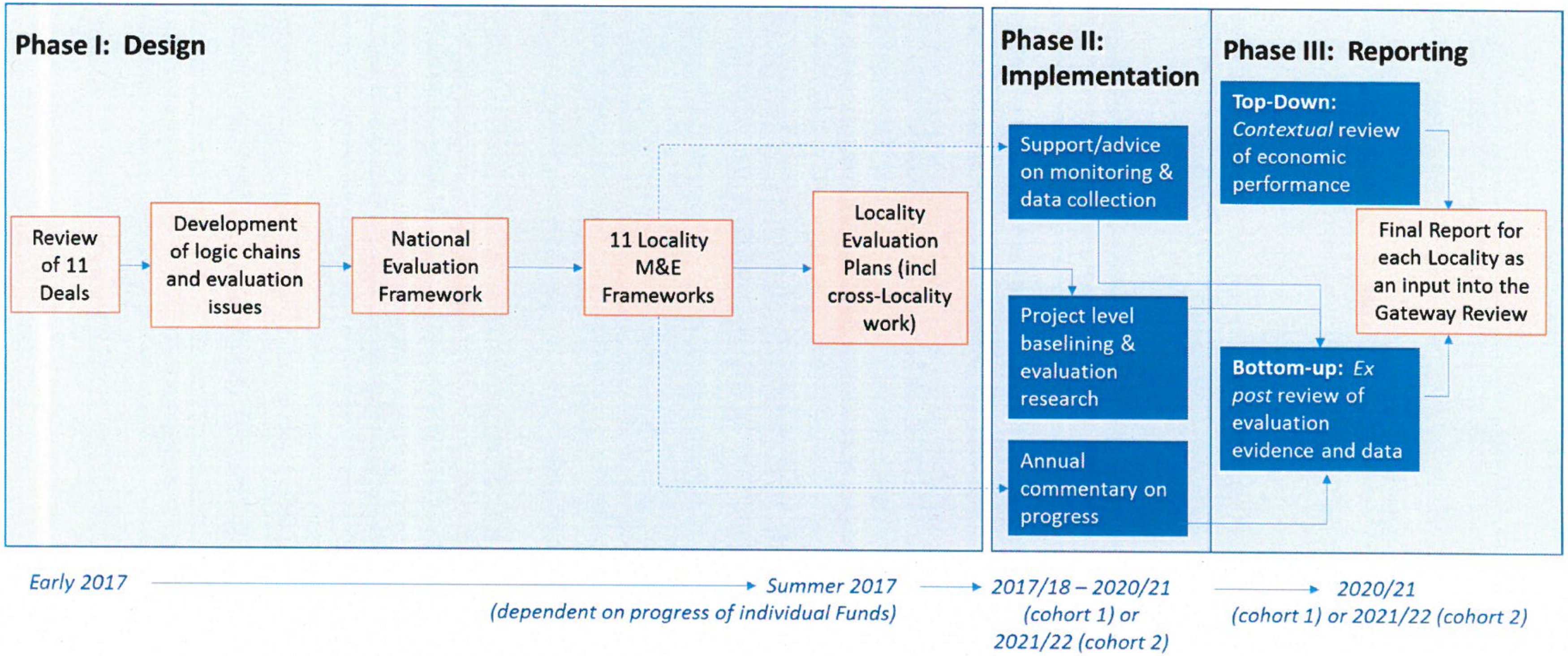
- The purpose of the 'National Evaluation Panel' is to "***evaluate the impact of the locally-appraised interventions on economic growth***" to inform the Gateway 1 review
  - The 'interventions' are those supported through the Investment Funds (x11) agreed with each Locality in devolution/growth/city deals
  - The 'National Evaluation Panel' is the appointed consortium, led by SQW Ltd
- This will be delivered through
  - The development of monitoring and evaluation frameworks – a National Framework and in turn Locality Frameworks
  - The agreement of evaluation plans for each Locality, and delivery of evaluation research by the consortium, informed by monitoring data which will be collected by the Localities
  - Reports on the impact of interventions at the first five-year Gateway Reviews

SQW

Purpose & context of the evaluation (2)

- There will be a '*programme of evaluation research*' that includes
  - Evaluations in each Locality, which reflect the interventions delivered in that place
  - Using consistent methods for similar interventions
  - Cross-cutting workstreams delivered in parallel across the Localities, complementing the intervention-level evaluations
- The Panel is not
  - Making recommendations to Ministers/officials on future allocations
  - Evaluate the 'policy' of devolved Investment Funds, or the Government's wider devolution policy agenda

Overview of approach



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Purpose of the National Evaluation Framework

- The National Evaluation Framework aims to
  - **Establish the overall approach and principles for the evaluation of the Funds**, to provide consistency for activity undertaken at a Locality-level in subsequent Phase of the work
  - **Develop high-level theories of change and logic models**, identifying how and why activity supported through the Funds is expected to generate benefits, to provide a basis for the development of tailored materials at a Locality-level
  - **Set out the common indicators and data sources to be used for monitoring and evaluation**, providing consistency within and across Localities for similar interventions supported by the Funds
  - **Identify potential evaluation approaches, issues in identifying the counterfactual, and criteria for selection of approaches**, to inform evaluation planning and delivery at a Locality-level
  - **Outline the purpose of and approach to the complementary cross-cutting workstreams to be delivered by the Consortium**, and how these will be used alongside the intervention-level evaluation to inform the Gateway Reviews

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Guiding principles arising from the scoping phrase

1. The local frameworks and plans will be developed at times which fit with the development of projects in each locality
2. The national framework will enable consistency across localities where interventions are similar
3. The national and local frameworks are focussed on the impact being achieved through the investment funds
4. The impact report for Gateway 1 will look beyond GVA to also assess progress made in programme delivery and wider strategic benefits
5. Elements of the framework can be combined to reflect that some interventions are mutually re-enforcing
6. The assessment of overall impact will not use locality wide econometric modelling to assess the difference made to area-wide economic performance
7. Where the Investment Fund is used to lever / borrow other monies, the evaluation focus will be defined quite narrowly on direct, first round affects generated from the Investment Fund

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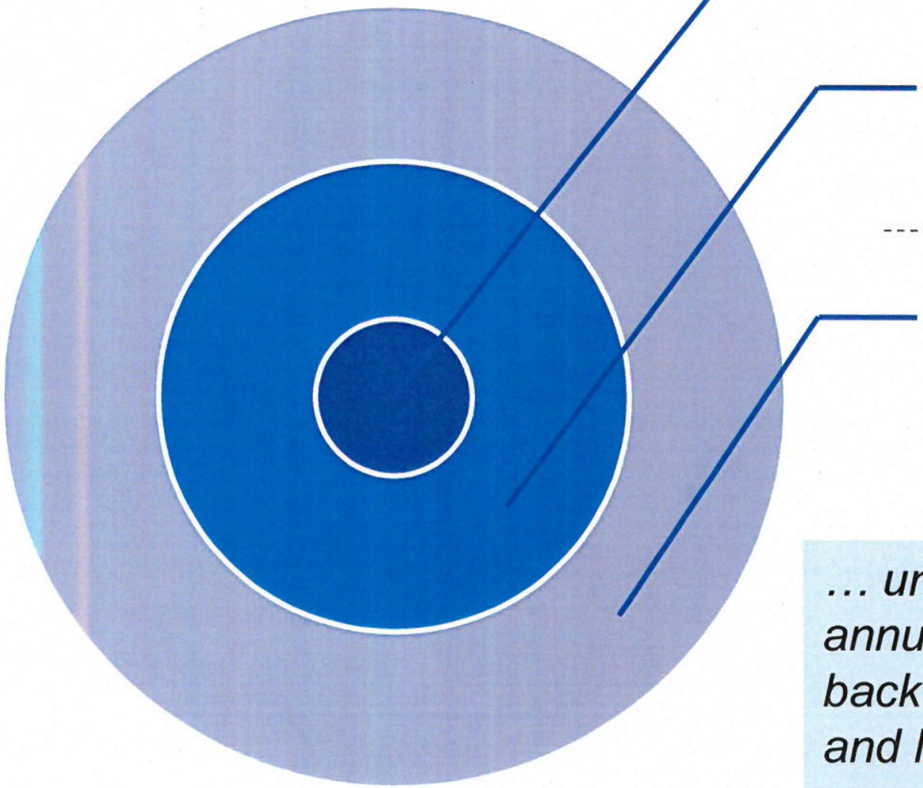
Components of the National Evaluation Framework

3 workstreams, providing a mix of quantitative & qualitative evidence for the Gateway Review …



Impact Evaluation of Interventions (& on-going monitoring to track progress)

- Grouping by theme / intervention type to develop logic models
- Identification of evaluation issues & approaches

Capacity Development & Partnership Evaluation

- Strategic-level i.e. partnership, capacity & engagement benefits of 'the Fund'
- Project-level i.e. these benefits from individual interventions

Contextual Economic Forecasting

- Forecasts pre-intervention to identify how the economy was expected to develop to Year 5 (& potentially beyond)
- Review actual out-turn at Year 5 to provide context for impact evaluation

… underpinned by on-going engagement, incl. annual learning event with Localities to feed-back into delivery; and reporting, incl. baseline and light-touch annual reviews, and reports one-year out and for Gateway Review

Impact Evaluation – Intervention Themes Structure (1)

- Framework developed 'bottom-up' based on actual / planned interventions across Localities
  - But, reflecting uncertainty & the types of interventions that may potentially be delivered to ensure flexibility
- Two tier structure
  - Core Themes - 4 (Transport, People, Infrastructure, and Enterprise and Innovation)
  - Core Intervention Areas x14
  - Plus 'Other' activity-types, present in a number of Localities
- Logic models developed at Core Intervention Area level
  - Identifying ToC, indicators & potential evaluation approaches
  - Full set provided in the framework
  - Are able to inform potentially 'hybrid' logic models at local level where interventions contain a combination of activity-types

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Capacity Development & Partnership Evaluation

- The purpose is to provide evidence for the Gateway Review on the effects of the Funds on local capacity development & partnership working
  - Complementing quantitative data from impact evaluation
- Research to be delivered at two levels – reflecting different knowledge & how effects may be realised
  - **Strategic-level**: focused on how 'the Fund' as a whole has led to changes in the behaviours, perspectives, & decisions of actors across the economic development landscape in the area
    - Evidenced via (i) focused 'partner survey' across broad range of actors across the public & private sectors and (ii) in-depth consultations with up to 5 key partners/stakeholders (e.g. Deal lead officers, LEP or Combined Authority Board/Senior Management)
  - **Project-level**: focused on how the development and delivery of individual interventions (or groups of linked interventions) may have led to these types of changes
    - Evidenced via in-depth consultations with project sponsors, leads & key local players (e.g. officials, councillors)

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Next Steps: Phase 1B and 1C

- Phase 1B will involve developing Locality Frameworks
  - Tailored logic models covering activity by Intervention Areas
    - Building on National Framework logic models and indicators, revised to reflect local theory of change, activity, outputs, outcomes
    - May involve development of 'hybrid' logic models where interventions cover more than one Intervention Area
  - Prioritisation of interventions with Localities to agree where evaluation will be focused, if necessary
    - In some Localities all activity may be evaluated
    - In some Localities, some prioritisation may be required, taking into account proportionality of evaluation effort, resource availability
  - Consideration of potential evaluation methods, and viability taking into account nature and scale of local activity
- Phase 1C will involve developing Evaluation Plans
  - Agreeing methods for evaluation of prioritised interventions, timescales, & monitoring requirements

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Director: Melanie Corcoran, Director, Delivery
Author: Catherine Cox

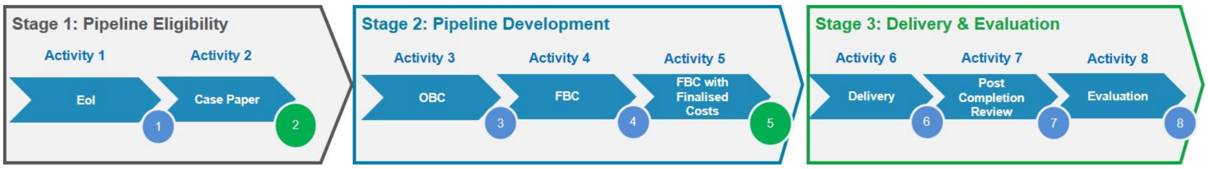
Report to: **West Yorkshire & York Investment Committee**

Date: **16 June 2017**

Subject: **Capital Spending and Project Approvals**

1. Purpose

1.1 To put forward proposals for the progression of, and funding for, a number of West Yorkshire Plus Transport Fund (WY+TF) and Growth Deal projects for consideration by the Investment Committee at Stages 1, 2 and 3 of the Assurance Process. The Committee will recall that WYCA has a three stage assurance process as set out below with the requirement that all projects will as a minimum need to formally pass Decision points 2 and 5, highlighted in green below, with the requirement to meet the intervening activities deemed on a project by project basis.



1.2 The Programme Appraisal Team (PAT) appraises all schemes at the decision points. The PAT is an internal assurance group and has no formal approval making powers, they make recommendations which are then reported through the current WYCA governance arrangements for a formal decision/approval. The PAT consists of a panel of officers representing policy, legal, financial, assurance and delivery supplemented with external experts. Where conflict of interest issues arise during a meeting e.g. scheme comes forward for discussion which a member of the PAT is the Senior Responsible Officer for, the SRO will not take part in the discussion and agreeing of recommendations and in the case of the chair will leave the meeting and won't be part of any discussions and recommendations in relation to their scheme. The scheme promoters from the District Councils or Partner Delivery organisations attend the meeting to introduce the scheme and answer questions from the panel as required. The Terms of Reference for the PAT are contained within the Assurance Framework.

2. Information

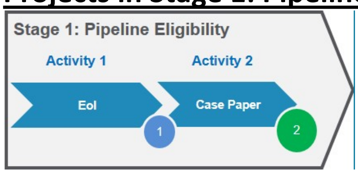
2.1 Projects at the Pipeline Eligibility stage are seeking entry in to the portfolio and should demonstrate a strategic fit in terms of project outcomes, meet funding criteria and have available funding identified with further project definition including costs and detailed timescales to be developed as the project progresses through the pipeline. At this stage funding may be sought to enable this work to progress.

Projects at Pipeline Development Stage should demonstrate that that they have tested the feasibility of a solution through their business case. This business case should then be developed in order to confirm and detail the preferred solution including finalising its cost. Once in Delivery & Evaluation the scheme is delivered and WYCA funding is drawn down. When delivery is completed a review is carried out to ensure that the scheme has met all its requirements and outputs in accordance with its Funding Agreement. Finally information about a scheme's performance following its completion is collected, in order to evaluate the success of the scheme.

Nineteen schemes are set out in the following report. These are summarised as:

Leeds Public Transport Investment Programme and (LPTIP)	Decision Point 2
Leeds Bradford Airport Station	Decision Point 2
ULEV Taxi Scheme	Decision Point 2
Knottingley Rail Station P&R	Decision Point 2
Rail Park and Ride Phase 2	Decision Point 2
Elland Station (Calder Valley Line)	Decision Point 2
LCR Flood Alleviation for Growth Programme	Decision Point 2
Corridor Improvement	Decision Point 2
Strategic Inward Investment Fund	Decision Point 2
Digital Sector Soft Landing Scheme	Decision Point 2
Business Growth Programme	Decision Point 2
Bradford Darley Street	Decision Point 1
Leeds University High Speed Rail College	Decision Point 1
Bradford Forster Square Station Gateway	Decision Point 3
LEP Loan - Gateway 45	Decision Point 4
LEP Loan – Fresh Pastures	Decision Point 4
Tackling Fuel Poverty Phase 4	Decision Point 5
Better Homes	Activity 6 – Change Request
Wakefield Civic Quarter	Activity 6 – Change Request

Projects in Stage 1: Pipeline Eligibility



2.2 **Leeds Public Transport Investment Programme (Activity 2 Case Paper) and Leeds Bradford Airport Station (LPTIP) (Activity 2 Case Paper)**

Background

Following the report to Investment Committee which presented the Strategic Outline Business Case for the Leeds Public Transport Programme (LPTIP) on 4 January 2017, the DfT approved the funding of £173.5m on the 21 April 2017. The main conditions of the grant from the DfT are that the funding is to be used for public transport improvements in Leeds which must be substantially complete by March 2021. As outlined in January's Investment Committee report, WYCA will be the accountable body for the programme, and will apply the Assurance Framework to the programme. The Leeds Public Transport Investment Programme LPTIP is a Programme comprising the following main packages (further detail on the packages can be found in the attached Business Case Summary):

- Bus Priority Corridors
- Bus Park and Ride
- City Centre gateways
- Rail
- Bus Transformation
- Mass Transit

In addition there will be investment from Bus Operators to upgrade their vehicles.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix A**.

Costs

In addition to the DfT £173.500m contribution, monies from Leeds City Council and the West Yorkshire Combined Authority of £8.800m and £0.966m respectively will increase the funding to £183.266m. The programme also includes private sector finance including expenditure on more environmentally friendly buses by bus operators bringing the total programme investment to over £270m.

At this stage, funding approval of £15.310m is requested. The programme will be jointly delivered by Leeds City Council and WYCA and the development funding will be spent by both organisations.

Package	Spend for developing to OBC stage (£m)	Scope
1	5.260	Feasibility works on Bus priority corridors
2	2.750	Mix of outline and detailed design work on bus Park and ride
3	2.900	Development of outline design work for City centre gateways
4	1.950	Rail development of feasibility work
5	1.450	Bus delivery
6	-	Mass transit
7	-	Bus delivery Board
8	1.000	Programme management (WYCA/LCC), PR/Comms, PMO, Legal, Resource, scheme leaders & Assurance

TOTAL	£15.310m	

Timescales

The DfT funding will be provided in tranches up to 2020/21.
The approval sought through this report covers the initial development work to progress schemes to Outline Business Case. This will be completed in a phased approach from late 2017.

Tolerances

Tolerance for the programme is that the programme expenditure of £173.5m to be ‘substantially’ delivered by the end of 2020/21.

Tolerances for the individual schemes will be set as part of the Outline Business Case process and these will be used to inform overall programme tolerances.

Project Responsibilities

Senior Responsible Officer:	Gary Bartlett, Leeds City Council
Deputy Senior Responsible Officer:	Dave Pearson, WYCA
Project Manager:	Andrew Wheeler, Leeds City Council
Case Officer:	Paul Roberts WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Leeds Public Transport Investment Programme proceeds through Decision Point 2 and the work commences on Activity 3: OBC on each of the project’s identified workstreams within the programme.
- That an indicative approval to the total programme value of £183.266m is given, with ultimate approval to spend being granted once the individual schemes have progressed through the Assurance Process to Decision Point 5.
- That approval is given to WYCA’s contribution of £0.966m. This will be funded from the remainder of the WYCA funding, which had previously been approved for use on the NGT Project.
- That development costs of £15.310m from the DfT’s £173.500m contribution for the development of the programme is approved, and that WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £11.395m.
- That individual schemes within the programme are brought forward through the Assurance Process along their own Assurance Pathway.
- That the Assurance Pathway, Approval Route and Approval Tolerance for the Programme are approved.

Leeds Bradford Airport Rail Station (Activity 2 Case Paper)

The following scheme from Leeds Public Transport Investment Programme has also come forward for consideration

Background

In the Leeds City Region Strategic Economic Plan (SEP), Leeds Bradford Airport (LBA) has been identified as one of the key assets that could help improve the economic performance of the region. Continued passenger growth is predicted (based on DfT forecast) for Leeds Bradford Airport, alongside with the proposed employment zone that would be home to thousands of jobs. There is significant economic potential to build a public transport link to support the area.

The proposed scheme will provide heavy rail connectivity to/from Leeds Bradford Airport and new jobs afforded by its nearby economic development area, as well as improved park and ride access to Leeds. Along with the provision of a minimum half hourly train service, it includes the construction of two platforms with associated station facilities such as waiting rooms/ shelters, passenger information screens, lighting, ticket vending machines etc. It will also include the provision of car parking facilities with interchange facilities for airport shuttle buses. A connection to the appropriate highway network is also included as part of this scheme.
A feasibility study was completed in autumn 2016 examining the viability of a LBA parkway station on Harrogate line. The report indicates that the proposed station is viable in technical and operational terms with no apparent showstoppers. Reflecting on the findings of LCR Metro study completed in 2016, challenges were particularly acute when considering a regional tram-train system across West Yorkshire as well as the emerging outputs from the Sheffield Tram-Train trial. A proposed station at LBA is therefore considered to be a more viable option in the medium term considering the availability of funding and viability.

The proposed LBA rail station supports Priority 4 (Infrastructure for Growth) of the LCR SEP and the scheme could also help contribute to priority 1 (Growing Business) given the role LBA plays as an international gateway for the Leeds City Region.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix B**.

Costs

The total forecast scheme cost is up to £25m. Further contributions to full scheme costs will be confirmed at Decision Point 3 (Outline Business Case). A funding approval of £0.5m from LPTIP is now sought, in order to progress the scheme to Decision Point 3 (Outline Business Case).

Timescales

It is envisaged that the Outline Business Case will be completed by April 2019. This will include Network Rail's GRIP stage 1-3 works which could be completed by the end of December 2018.

Tolerances

Tolerances will be set for this project at Decision point 3 (Outline Business Case).

Project Responsibilities

Senior Responsible Officer:	Liz Hunter, WYCA
Project Manager:	Rebecca Cheung, WYCA
Case Officer:	Paul Roberts, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- The Leeds Bradford Airport Rail Station Scheme proceeds through Decision Point 2 and commences work on Activity 3 (Outline Business Case)
- An indicative approval to the total programme value of £25.0m is given, with ultimate approval to spend being granted only once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- Development costs of £0.50m from the Leeds Public Transport Investment Programme for the development of the scheme is approved.
- The future approvals at Decision Point 3 & Decision Point 4 (Full Business Case) are made through a delegation to WYCA's Managing Director, with the scheme returning to Investment Committee and WYCA at Decision Point 5.

2.3 **ULEV Taxi Scheme (Activity 2 Case Paper)**

Background

WYCA will receive £1.980m in capital funding from the Government Office for Low Emission Vehicles (OLEV) Ultra Low Emission Taxi Scheme to deliver 88 electric vehicle charge points across West Yorkshire during 2017/18 - 2019/20 for dedicated use by taxi and private hire vehicles. OLEV funding covers 75% of the unit and installation costs for each charge point.

Match funding totalling £1.20m over 3 years to cover the remaining 25% of unit and installation cost plus project management/development has been indicatively endorsed by Transport Committee and WYCA in the LTP IP3 programme and will be formally endorsed on 7 July.

This project will 'pump-prime' a commercial charge point operation in West Yorkshire, with no ongoing revenue subsidy requirement from WYCA or the local authorities.

Procurement will confirm the total private investment to be invested by the appointed installer/operator, which has potential to reduce the LTP match requirement. Procurement will also explore further investment and innovation opportunities during the contract, including public and e-bike charging infrastructure and adding value to other projects – i.e. WYTF.

The project is forecast to enable the replacement of 500 existing diesel taxis and private hire vehicles (5.1% of combined fleets) operating across West Yorkshire by 2020. This equates to an 18% reduction in Nitrogen Oxide emissions and an estimated health cost saving of £189,000 per annum by 2020. (WYLES, 2016).

This project supports the Leeds City Region Strategic Economic Plans vision for 'good growth' and the creation of quality places by tackling West Yorkshire's poor air quality. Road transport (including taxis) is the biggest contributor to air pollution which results in 1 in 20 deaths in West Yorkshire. This project will be a delivery component of the West Yorkshire Low Emission Strategy, adopted by WYCA on 6 April 2017, and seeks to reduce emissions from transport.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix C**.

Costs

The total scheme cost is £3.180m. This will be funded through £1.980m of OLEV grant and £1.20m of LTP IP3 funding.

Development cost approval of £25,000 is sought in order to progress the scheme to Decision Point 5.

Timescales

Project delivery is over a 3 year period from 2017/18 to 2019/2020. OLEV expects £0.490m of capital delivery in 2017/18.

Procurement of a partner to install and operate the network will take place in summer 2017 with the approval to Decision Point 5 being sought in September 2017.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- Scheme must be delivered within the allocation of £3.18 m
- That the £0.495m of OLEV funding is spent on charge point delivery in 2017/18
- That the scheme is delivered within the timescales set out in this report
- Should the following risks occur:

- Failure to deliver charge points – private land owners cannot commit to host agreement terms and charge points not delivered.
  - Failure to Spend Funding within Programme timeframe.
- Should there be a forecast significant reduction in the realisation of the following benefits:
  - 5% conversion of existing taxi and private hire fleets to ULEV
  - 7.2 tonnes C02 saving by 2020 p.a (minimum)
  - 18% improvement in NOx emissions across West Yorkshire taxi fleets.
  - Utilisation of charge points to a commercially viable level (c. 4hrs charge / unit/day)
  - Creation of West Yorkshire charge point network to support national target of 10% registered vehicles to be ULEV by 2020.

Project Responsibilities

Senior Responsible Officer: Liz Hunter, WYCA
Project Manager: Alistair Ryder, WYCA
Case Officer: Chris Dunderdale, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the ULEV Taxi Scheme proceeds through Decision Point 2 and the work commences on Activity 5: (FBC with Finalised Costs).
- That an indicative approval to the total project value of £3.180m is given, with ultimate approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- That development costs of £25,000 are approved in order to progress the scheme to Decision Point 5 (FBC with finalised costs) from the OLEV grant.
- That the future approvals at Decision Point 5 are made through a delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above.

2.4 **Knottingley Rail Station Park and Ride (Activity 2 Case Paper)**

Background

The WY+TF Rail Package (Parking) will deliver approximately 1,000 additional car parking spaces at 16 West Yorkshire rail stations. The majority of these extensions will be on Network Rail's land. The package will achieve the following objectives:

- An increase in employment (+117 jobs) and productivity (incremental GVA £8.2m);
- Extended free car parking enhancing employment accessibility.

This scheme is part of the Rail Park and Ride (Phase 1), which is an agreed programme in the West Yorkshire plus Transport Fund. Delivery of the individual sites are coming forward in phases reflecting onsite issues and to allow for strategic programming to be appropriately managed.

Knottingley is the next site to come forward under this programme and is seeking approval for a project allocation under the Rail Park and Ride programme baseline budget and an approval for funding to undertake development work streams to get to Full Business Case (Activity 4). Total project costs have been forecast at £1.780m

As promoting authority for the programme, WYCA have submitted an Expression of Interest) and a Case Paper which went to WYCA's Programme Appraisal Team (PAT recommending that the project proceeds through Decision Point 2 (Case Paper) and that a development funding allocation is approved. In addition, due to the relatively low risk and costs associated with the delivery of the project under the wider Rail Park and Ride Programme, it was recommended that future funding decisions at Activity 4 and 5 be approved by delegated authority to Managing Director.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix D**.

Costs

The total forecast scheme cost is £1.780m.

A funding approval of £474,259 is now sought from the WY+TF to cover a forecast spend to undertake feasibility works, surveys, land acquisition and design works to progress the project through to Decision Point 4 (Full Business Case).

Timescales

The project will seek approval of Decision Point 4 (Full Business Case) in May 2018.
The project is forecast for completion by December 2018.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The scheme should remain within +10% of the overall scheme cost set out in this report
- That the schemes is delivered within +3 months of the timescales set out in this report
- Should there be a forecast reduction of 10% in the number of parking spaces delivered

Project Responsibilities

Senior Responsible Officer: Melanie Corcoran, WYCA

Project Manager: Pete Coello, WYCA
Case Officer: Jessica McNeill, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Knottingley Rail Station Park and Ride project proceeds through Decision Point 2 and the work commences on Activity 4 (Full Business Case).
- That an indicative approval to the total project value of £1.78m is given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That development costs of £474,259 to be funded from the WY+TF are approved in order to progress the scheme to Decision Point 4.
- That the future approvals at Decision Point 4 are made through a delegation to WYCA's Managing Director following consideration and recommendation by Investment Committee. Approval at Decision Point 5 will be made through the delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above.

2.5 **Rail Park and Ride Phase 2 (Activity 2 Case Paper)**

Background

Following the success of the Phase 1 programme, work has been undertaken to identify and consider the possibility of a Phase 2. The Phase 2 programme would look to deliver the same objectives as Phase 1 and increase further car parking facilities at identified sites where additional parking capacity can be delivered to enhance connectivity and improve access to the rail network.

The delivery programme of Phase 1 has been successful and there will be over 4 locations within this programme on site during 17/18 with more programmed for 18/19. However, due to onsite restrictions and challenges to find a suitable engineering solution at some of the original sites within Phase 1, there is now a number of schemes which were pushed back into a proposed Phase 2

To manage delivery profiles and certainty of spend, Phase 2 has been split into 2 sub-phases 2a and 2b. Only the sites identified under Phase 2a are being recommended to take forward to ensure costs remain within the current Rail Station Car Parks Programme allocation in the WY+TF. Phase 2a locations have been selected due to the ownership of land being in the rail industry and the ability to secure delivery by 2021. These are:

- Apperley Bridge (Bradford)
- Guiseley (Leeds)
- Moorthorpe (Wakefield)

- Outwood (Wakefield)

As promoting authority for the programme, WYCA have submitted an Expression of Interest and a Case Paper to WYCA's Programme Appraisal Team recommending the re-profiling of the £12.500m allocation for Phase 1 to be allocated to the development and delivery of Phase 2a.

Furthermore, of the £12.5m, £477,100 of funding was recommended for development works for the sites as identified.

To note, locations in Phase 2b will deliver benefits against the same objectives but will need to come forward under a separate EoI proposal as currently there is no available programme funding for these additional sites.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix E**.

Costs

The forecast scheme cost is £12.5 million.

A funding approval of £477,100 is now sought from the WY+TF to undertake feasibility works, surveys, land acquisition and design works to progress the programme of projects through to Full Business Case, Decision Point 4. This will be funded from Rail Park & Ride (Phase 1) re-profiled funding.

Timescales

The programme of projects will come forward to Full Business Case from Q1 18/19 onwards. All schemes that form part of this programme are forecast to be delivered by March 2021.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The scheme should remain within +10% of the overall scheme cost set out in this report
- That the schemes is delivered within +3 months of the timescales set out in this report
- If the following outcomes/benefits are judged to have significantly reduced:
    - Additional car parking.
    - Enhanced CCTV and personal security

Project Responsibilities

Senior Responsible Officer:	Melanie Corcoran, WYCA
Project Manager:	Pete Coello, WYCA
Case Officer:	Jessica McNeill, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Rail Park and Ride Phase 2 programme proceeds through Decision Point 2 and the work commences by the individual schemes on Activity 4 (Full Business Case).
- That an indicative approval to the total programme value of £12.5m is given, with ultimate approval to spend being granted once the individual schemes have progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs). This will be funded through WY+TF funds re-profiled from Phase 1 of Rail Park and Ride.
- That development costs of £477,100 are approved in order to progress the schemes to Decision Point 4.
- That the individual schemes return to Investment Committee and Combined Authority for approval at Decision Point 4 (Full Business Case) where the proposed approval route for Decision Point 5 through a delegation to WYCA's Managing Director will be confirmed. This approval route will be subject to the schemes remaining within the tolerances outlined above.

2.6 **Elland Station (Calder Valley Line) (Activity 2 Case Paper)**

Background

Elland Station Package scheme involves a new station on the Calder Valley line at Elland as well as pedestrian, cycle and public realm improvements to link the new station to Elland town centre and surrounding areas of planned employment and housing growth. The scheme also incorporates bus infrastructure to enable bus-rail interchange at the station and a dedicated station car park and associated highway access arrangements to enable the station to serve as a Park and Ride facility.

The original allocation from the Transport Fund identified a £20m contribution towards Calder Valley line speed improvements, which would have supported 312 additional jobs, an increase in GVA of £21.2m (at 2026) and a GVA/£ ratio of 0.6. Network Rail has since decided to expand the scope of rail outputs planned for the route beyond those originally defined, which has resulted in an opportunity for the Transport Fund allocation originally prioritised to further reduce journey times and headways along the line to be redeployed in order to amplify the economic impacts from that investment. The Elland Station Package is therefore a replacement scheme; it has been endorsed by Network Rail, Rail North and Northern as the preferred option for delivery in the short to medium term because it makes the most of the existing commitments and can be delivered by 2022. The full costs of the Elland Station package have been calculated as

£22.036m (this includes a 20% risk uplift to the delivery costs) meaning that it is more expensive than the scheme it replaces. However, the scheme is forecast to support an increase in GVA of up to £98m and around 1500 jobs. Even assuming only half of this growth were to be achieved the scheme would have a considerably higher GVA/£ ratio than that estimated for the Calder Valley line speed improvements project. Despite the scheme's forecast cost increase above the WY+TF allocation, it is anticipated that that the WYCA contribution will be fixed at up to £20m, with contributions to total costs funded by the project promoter or project stakeholders.

A contribution of £0.050m towards the development of the Outline Business Case (OBC) has already been secured from the promoter and since the scheme includes a significant element of highway improvements, further contributions from Calderdale Council towards project costs will be explored as part of the development of the OBC and identified at Decision Point 3. Opportunities for developer contributions from the adjacent business park, the developers of the nearby residential developments and other local employers will also be explored. Given the highly positive net revenue forecast from the scheme there may be opportunities for sharing some elements of risk with the train operator.

The Strategic Case for the scheme is strong as it contributes to all the SEP strategic priorities, it should also enhance links to economic opportunities elsewhere and attract higher value jobs to Elland itself through improvements in connectivity. The commercial case is also good with a number of local firms having indicated that the station will render inward investment more viable. The costs of the scheme have been assessed as part of the financial case and while there are uncertainties, an element of risk has been incorporated into these costs.

The Project Inception Report suggests that there is a strong economic case for the station elements of the scheme. There is also a potentially good economic case to be made for the package as a whole, but this will require further assessment in the OBC as evaluating the urban realm, walking and cycling benefits as well as the wider economic benefits will need careful consideration.

There are risks associated with delivery of the scheme because it depends on the Calder Valley line improvements to allow sufficient rail capacity for services to stop at the new station. Delivery may also be affected by the Transpennine Upgrade project as this will involve diverting services along the line running through Elland.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix F**.

Costs

The full cost of the scheme is forecast to be up to £22.036m. The cost of progressing the scheme to Decision Point 3 (Outline Business Case) is £884,748 and a contribution of £50,000 has been secured from Calderdale Council towards this. A funding approval of £834,748 from WY+TF is therefore sought to prepare the OBC.

Timescales

The OBC is due to be completed in Dec 2018. It is forecast that delivery of the scheme will be completed by early 2022.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The scheme should remain within +10% of the overall scheme cost set out in this report
- That the schemes is delivered within +6 months of the timescales set out in this report
- Should the following risk occur:
  - That the Calder Valley Line improvements are not carried out by Network Rail in advance of the scheme. There is a dependence on these improvements to deliver the necessary timetable changes and/or infrastructural changes to allow an appropriate stopping service to be provided for Elland Station.

Project Responsibilities

Senior Responsible Officer: Steven Lee, Head of Highways & Transportation, Calderdale Council
Interim Project Manager: Simon Pope, Calderdale Council
Case Officer: Matthew Page, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Elland Station Package scheme should replace the Calder Valley Line Enhancement scheme within the WY+TF.
- That the Elland Station project proceeds through Decision Point 2 and the work commences on Activity 3 (Outline Business Case).
- That an indicative approval to the total project value of £22.036m is given, with ultimate approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That development costs of £884,748 are approved in order to progress the scheme to Decision Point 3, and that WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £834,748 to be funded from the WY+TF. The remaining £50,000 will be funded directly by Calderdale Council.
- That the future approvals at Decision Point 3 and Decision Point 5 are made through a delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above. The

scheme will return to Investment Committee and WYCA at Decision Point 4 (Full Business Case).

2.7 **Leeds City Region Flood Alleviation for Growth Programme (Activity 2 Case Paper)**

Background

The Strategic Economic Plan (SEP) identifies a headline initiative to develop an “integrated flood risk reduction programme” to address the urgent need for greater resilience against flooding to protect and retain businesses and employment, and to maintain the transport network.

A programme of flood risk management projects has been developed that will improve the resilience of businesses in the parts of the Leeds City Region which are currently affected by high flood risk; where jobs and businesses could be lost as a result of recent flood events and the likelihood of recurrence; and those where planned future development could be slowed or constrained by flood risk. In addition, they will mitigate the risk of disruption or loss of access to these areas which would affect current and potential business viability.

Flood risk management projects in the indicative programme are:

- Calderdale: Mytholmroyd*, Brighouse & Clifton
- Leeds: Wyke Beck Valley/Aire Valley Enterprise Zone, Kirkstall Road*
- Bradford: Canal Road corridor
- Wakefield: Castleford
- Kirklees: Leeds Road corridor
- North Yorkshire: Skipton*
- Natural Flood Management Projects

*The first phase of the Flood Alleviation Programme consisted of schemes from the above list in Mytholmroyd, Skipton and Leeds Kirkstall Road. Together these received £7,800,000 Growth Deal funding in March 2017.

As a whole, the LCR Flood Alleviation Programme will deliver:

- Flood defence walls
- Upstream flood storage reservoirs
- Channel realignment/remaindering
- Pump drainage
- Weirs

Natural Flood Management measures will also be implemented:

- Trees planted
- Wooded debris dams/leaky dams
- Soak aways
- Peat restoration

Outputs generated will include:

- Fluvial flood resilience interventions
- Improved highways assets to reduce surface water flood risk
- Existing jobs and businesses safeguarded
- Fluvial flood risk reduction schemes
- Employment/ development land with reduced flood risk
- Improved surface water drainage
- Upland catchment area improved to assist in reducing flow into rivers.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix G**.

Timescales

The individual projects within the programme will submit business cases from September 2017 onwards and work will be completed by March 2021.

Cost

The total scheme cost is £77.0m. The programme requires £20.0m funding from the Local Growth Fund £56.8m public match funding is in place, along with £0.2m private sector investment. Due to the £7.8m already spent on Phase 1, Phase 2 requires a £12.2m allocation from Growth Deal.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The programme should remain within the overall scheme cost set out in this report.
- That the programme is delivered within +3 months of the timescales set out in this report.

Responsibilities

Senior Responsible Officer:	Adrian Gill, Environment Agency
Programme/Project Manager:	Mark Wilkinson, Environment Agency
Case Officer:	Polly Hutton, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Leeds City Region Flood Alleviation for Growth Programme proceeds through Decision Point 2 and the work by the individual schemes commences on Activity 3 (Outline Business Case).
- That an indicative approval to WYCA's remaining £12.2m contribution to the total programme value of £77m is given, with ultimate approval to spend being granted once the schemes have progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the individual schemes will return to Investment Committee for consideration and WYCA for approval at Decision Point 3 (Outline Business Case) or Decision Point 4 (Full Business Case), based on the level of detail produced by the Environment Agency business case process. At this stage individual Assurance Pathways and Approval Routes will be set for each scheme.

2.8 **Corridor Improvement Programme (Activity 2 Case Paper)**

Background

The Corridor Improvement Programme (CIP) is a programme of low and medium cost highway interventions on strategic highway corridors, which aims to improve connectivity and accessibility to support economic growth.

In order to achieve this the programme aims to deliver an 8% reduction in journey times for all traffic, with a higher target of 12% reduction in journey times for buses. The CIP Programme is split into 3 distinct delivery phases as follows:

- Phase 1 - package of 13 projects across all districts to deliver junction improvements at key locations by 2021, at an estimated cost of £67.8m, as follows:

District	Junction/Corridor
Bradford	A6177 Outer Ring Road/Toller Lane
	A6177 Outer Ring Road/Thornton Road
	A6177/A647 Leeds Road Shipley Airedale
	A6177 Outer Ring Road/Great Horton Road
Calderdale	A58/A672 Sowerby Bridge
	A646/A6033 corridor
Kirklees	A62 Smart Corridor
	Huddersfield Southern Gateways
	Holmfirth Town Centre Access Plan
Leeds	A647 Dawsons Corner
	A660/A658 Dyneley Arms
	A6120 Fink Hill, Horsforth
Wakefield	A61 Newton Bar

- Phase 2 – package of feasibility work to identify and develop wider corridor measures to increase the benefits on each corridor at an approximate cost of £1.5m; and

- Phase 3 – development and delivery of the further schemes identified by the Phase 2 feasibility work by 2025 at an estimated cost of £61m.

As part of Phases 2 and 3, work will also be undertaken with Bus Operators to secure changes in bus operations resulting from improved traffic flows on the CIP corridors. There is a good Strategic Case for the programme which clearly aligns with SEP strategic priority 4 'Infrastructure for growth' and headline indicator 9, since the improvements proposed through the programme will speed up journey times and assist in improving accessibility to urban centres and other employment and housing growth areas.

The work undertaken to date suggests that the programme could contribute to the delivery of up to 1,300 jobs and 650 housing units, however this analysis was undertaken some time ago and will therefore require updating in the next few months. Phase 1 of CIP is forecast to contribute to 834 additional jobs, 78 housing units and an increase in GVA of +£77m per annum.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix H**.

Costs

The total cost of the CIP programme is £130.3m and £125m of this is sought through the WY+TF in line with the indicative allocation previously made. The remainder of the funding is to be provided through a combination of £4m of public sector funding (through the Leeds Public Transport Investment Programme) and £1.3m through Section 106 sources (but not all of this is yet secured).

The total cost of Phase 1 of the CIP programme is £67.8m for the development and delivery of 13 individual schemes. The total cost for developing each of the 13 Phase 1 schemes up to Decision Point 3 (Outline Business Case), plus associated programme management costs is £4.483m

Timescales

Phase 1 of the programme is due to be complete by 2021 and it is currently anticipated that the Outline Business Cases for each of the 13 Phase 1 schemes will begin to come forward later on this year. The full programme is expected to be delivered by the end of 2025.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the programme needs to return to Investment Committee and/or WYCA for further consideration:

- The programme should remain within +10% of the overall scheme cost set out in this report.
- That the programme is delivered by the end of 2025.
- Tolerances relating to risks and benefits will be set out for each scheme within the programme.

Project Responsibilities

Senior Responsible Officer:	Melanie Corcoran, Director of Delivery (WYCA)
Programme Manager:	Rachel Jones, Programme Manager (WYCA)
Case Officer:	Louise Porter, Programme Manager (WYCA)

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Corridor Improvement Programme, Phase 1 proceeds through Decision Point 2 and the work commences on the 13 individual schemes on Activity 3 (Outline Business Case).
- That an indicative approval to the Phase 1 programme value of £67.8m is given, with ultimate approval to spend being granted once the individual schemes have progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That development costs of £4,482,500 are approved in order to progress the 13 individual schemes in Phase 1 to Decision Point 3 (Outline Business Case) to be funded from the WT+TF. This will include £0.408m of WYCA Programme Management costs. That WYCA enter into a Funding Agreement:
    - with Bradford for expenditure of up to £1.245m;
    - with Calderdale for expenditure of up to £0.430m;
    - with Kirklees for expenditure of up to £0.800m;
    - with Leeds for expenditure of up to £1.525; and
    - with Wakefield for expenditure of up to £0.075.
- That the individual schemes will return to Investment Committee (for recommendation) and WYCA (for approval) at Decision Point 3 (Outline Business Case). As part of this approval, individual Assurance Pathways and Approval Routes will be set for each scheme.

2.9 **Leeds City Region Strategic Inward Investment Fund and Digital Sector Soft Landing Scheme (Activity 2 Case Paper)**

Background

The Growth Deal 3 award includes an allocation of £13.45m for a business expansion fund to support identified gaps in provision to assist large businesses and provide an improved incentive package to attract inward investors and support exporters. This funding has been split, with £12.45m allocated to a Strategic Inward Investment Fund, and £1m towards a Digital Sector Soft Landing Scheme. External advice has been obtained to assist in designing and delivering these schemes. Their report advises on providing a scheme which will enable maximum flexibility under the EU's General Block Exemption Regulations to allow the LCR to offer appropriate and effective funding through every available mechanism to inward investing businesses.

Strategic Inward Investment Fund

The capacity of the City Region to offer funding to businesses to de-risk their investments is seen as a critical factor in enabling competition with other UK regions, particularly the devolved administrations. A number of potential overseas inward investment projects have been lost on the basis that grant support in competitor places has been stronger. In many cases this has been in spite of a more compelling business case in the region. The ability of this type of funding to secure significant investment has been tested and proven by the recent Burberry business services project (formerly Project Primrose - refer to para 2.18 of this report for further detail). A dedicated scheme which can be operated specifically to secure this type of investment is likely to deliver significant benefits in terms of job creation and leveraging private sector investment.

This fund will be available as a tool to support our region to win 'footloose' FDI investment opportunities and the Trade and Investment Team will work with local authority partners to ensure this funding is available to support their own inward investment opportunities. It is intended that applications will be invited from FDI businesses where a funding requirement has been identified. Further selection criteria will be developed at the Full Business Case stage. The proposed target for this funding scheme is businesses in priority sectors from outside LCR, ideally foreign owned, seeking to create large numbers of jobs in our region. Additional contributions to the inclusive growth agenda will be sought through the application process. We anticipate applications larger than £250k and, in the main, lower than £1m but will set no upper limit on the size of individual applications. The grant scheme as proposed in the Growth Deal 3 bid to Government aimed to achieve the creation of at least 600 new jobs and leverage of £104.81m match funding. It is expected, however, that the new jobs target will be significantly exceeded and a cost per job target of below £10k is aimed for, which would result in at least 1,245 new jobs.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix I**.

Costs

An allocation of £12.45m is sought from the Growth Deal which will cover all delivery costs and grants to businesses.

Timescales

The final approval of the Full Business Case and costs will be undertaken in July 2017 with the aim of launching the grant scheme shortly after. The grant will be in operation until March 2021. The programme will be reviewed in 2020/21 to determine if funding needs to be reallocated.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are set out in this report, it is proposed that the following tolerances should apply. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The scheme should remain within the overall scheme cost set out in this report.
- That a minimum of 1245 jobs are created.
- That a minimum of £104.81m Match Funding is attracted.

The intention is for the appraisal and approval process to mirror those of the Business Growth Programme, minimising the need to convene additional panels, groups or develop additional expertise. However, further work is required given the particular characteristics of this fund.

Project Responsibilities

Senior Responsible Officer:	David Shepherd, WYCA
Project Manager:	Sam Lewis, WYCA
Case Officer:	Lynn Cooper, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Leeds City Region Strategic Inward Investment Fund proceeds through Decision Point 2 and the work commences on Activity 5 (Full Business Case with Finalised Costs).
- That an indicative approval to the total scheme value of £12.45m Strategic Inward Investment Fund is given, with ultimate approval to spend being granted once the project has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the future approvals at Decision Point 5 are made through a delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above.

Digital Soft Landing Scheme

The London property and salary market is overheated, with costs that are inhibitive to business growth particularly in the digital sector. Leeds City Region has a strong reputation in this sector and there is an opportunity to capitalise on the relocation and expansion projects of London/South East firms in particular. City AM recently reported that 25% of London's tech firms are considering wholesale relocations, while 40% think London cannot meet their growth needs due to rental costs. 65% of London tech firms would consider moving and the sector's growth in London necessitates an extra

2 million sq ft of office space this year. However, it is recognised that there are risks and costs associated with relocation and expansion projects. In order to mitigate these risks and to support growing technology firms to gain a 'foothold' in the region the proposal is to offer a 'soft landing' grant scheme.

This scheme will offer a grant of up to 50% of costs and will support any eligible costs associated with the company's project in our region over the first 12 months. Primarily we anticipate this to include contributions towards capitalised lease costs, as well as support towards equipment. We are anticipating applications between £10k and £50k.

A summary of the Programme's Expression of Interest/Business Case is included in **Appendix J**.

Costs

An allocation of £1m from the Growth Deal is sought for the scheme which will cover all delivery costs and grants to businesses.

Timescales

The final approval of the Full Business Case and costs will be undertaken in July 2017 with the aim of launching the grant scheme shortly after. The grant will be in operation until March 2021. The programme will be reviewed in 2020/21 to determine if funding needs to be reallocated.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances (to be reviewed in the full business case). If these tolerances are exceeded the scheme needs to return to Investment Committee and/or Combined Authority for further consideration:

- The scheme should remain within the overall scheme cost set out in this report.
- That a minimum of 170 jobs are created.
- That a minimum of £0.9m Match Funding is attracted.
- That a minimum of 30 companies are supported

The recommended approval route will be identified in the full business case.

Project Responsibilities

Senior Responsible Officer:	David Shepherd, WYCA
Project Manager:	Sam Lewis, WYCA
Case Officer:	Lynn Cooper, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Digital Sector Soft Landing Scheme proceeds through Decision Point 2 and the work commences on Activity 5 (Full Business Case with Finalised Costs).
- That an indicative approval to the total scheme value of £1m is given, with ultimate approval to spend being granted once the project has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the future approval at Decision Point 5 is made through a delegation to WYCA's Managing Director. This Approval Route will be subject to the scheme remaining within the tolerances outlined above.

2.10 **Business Growth Programme (Activity 2 Case Paper)**

Background

The Business Growth Programme (BGP) has been in operation since February 2013. Initially it was funded through the Governments Regional Growth Fund and as from 1 April 2015 received an allocation of £18m to allow it to continue. An additional £9m has been allocated to the scheme through the Growth Deal 3 award.

The programme will continue to support businesses operating within the LEP's priority sectors (manufacturing, low carbon & environmental, financial & business services, digital & creative and health & life sciences) to provide grants of between £10,000 and £250,000, where grant support is needed/adds value by filling a funding gap, accelerating an investment, enabling an investment to happen on a larger scale or in a particular location. The programme will primarily support SMEs, though large companies may be considered by exception.

Funding will support the expansion, modernisation and diversification of economic activities. Activities supported include the purchase of plant, machinery and equipment, fit out of new premises and alterations and extensions to existing premises. Research and development activity (excluding basic/fundamental research) will be supported where this supports employment and business growth.

Investments must be specifically linked to job creation, or clearly demonstrate the investment is linked to growth (e.g. in the supply chain) or skills development (leading to a recognised qualification). Overall, the programme will lead to productivity improvements and a net increase in the average number of employees in recipient businesses. All employment posts will be maintained for at least 3 years in SMEs and at least 5 years in large businesses. All applicants will be will be expected to provide match funding of at least 80%. The programme aims to provide an overall funding ratio of at least 1:4 (Public to Private).

A summary of the Programme's Expression of Interest/Business Case is included in

Appendix K.

Costs

The full allocation of £9m is sought from the Growth Deal which will provide funding for grants and cover the costs of administering and managing the scheme.

Timescales

The aim is for the full approval of the project to be completed in July 2017. At that point the £9m funding will be available within the current scheme.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The scheme should remain within the overall scheme cost set out in this report.
- That the schemes is delivered within the timescales set out in this report.
- That a minimum of 500 jobs are created.
- That a minimum of £54m Match Funding is attracted.
- That a minimum of 165 companies are supported

Project Responsibilities

Senior Responsible Officer:	Henry Rigg, WYCA
Project Manager:	Neill Fishman,WYCA
Case Officer:	Lynn Cooper,WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

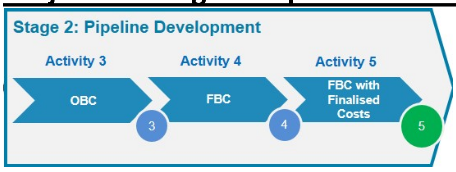
- That the Business Growth Programme proceeds through Decision Point 2 and the work commences on Activity 5 (Full Business Case with Finalised Costs).
- That an indicative approval to the total scheme value of £9m is given, with ultimate approval to spend being granted once the project has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the future approval at Decision Point 5 is made through a delegation to WYCA's Managing Director. This Approval Route will be subject to the scheme remaining within the tolerances outlined above.

2.11 **Schemes in Activity 1 (Expression of Interest)**

All the schemes that enter into the Assurance Process have been considered for their Eligibility for WYCA funding. This is carried through the assessment of an Expression of Interest document. The strategic fit of the scheme and the availability of eligible funding is evaluated by WYCA's Programme Appraisal Team. The following schemes are under consideration ahead of submission to a future meeting of the Investment Committee.

		Funding Sought
Bradford - Darley Street - EOI (Activity 1	The scheme proposed the strategic acquisition of a commercial property on Darley Street in Bradford City Centre to enable the relocation of the Market and subsequent release of a 2.5 hectare site for city centre housing development.	£3.1m
Leeds University High Speed Rail College	WYCA funding is sought to accelerate the development of a new Institute for High Speed Railways at the University of Leeds. The Institute will provide 40,000m2 high quality R&D space and world-leading test facilities for UK and international industry and is key to the University's ambition to become a global lead in high-speed railways engineering, including digital engineering technologies and systems. The scheme will help position the City Region as a global centre for high speed rail R&D in a rapidly expanding global market, whilst offering the potential to maximise the benefits and impact of HS2/Northern Powerhouse Rail through the creation of high value employment, leveraging significant private sector investment through new national and international collaborations with industry and helping respond to industry demand for high level skills in rail engineering.	£9m

Projects in Stage 2: Pipeline Development



2.12 **Bradford Forster Square Station Gateway Activity 3 (Outline Business Case)**

Background

Bradford Forster Square is one of the schemes within the Stations Gateways programme to be implemented as part of the West Yorkshire plus Transport Fund. This package has been allocated £50m within the WY+TF. The forecast cost for Bradford Forster Square Station is £17.311m

The Bradford Forster Square station will see the re-development of the existing station to provide a new high quality, modern station facility which will significantly enhance the user experience, providing an attractive and welcoming gateway to the City of Bradford. The scheme is centrally placed and will ensure the focus of the investment in Bradford contributes to the already developing City Centre Growth Zone. Investment in this transport hub will raise Bradford's image as a place to live and work and act as a catalyst for further investment in the vicinity.

Key outcomes of the work to be undertaken will deliver significantly improved station facilities, new café, ticket office/information centre, new retail units, cycle parking, community garden and 2 new lifts with access to School Street.

An Outline Business Case at Activity 3 was submitted by Bradford Council on 19th April, a full Peer Review was undertaken on 3rd May 2017 and an Outline Business Case appraisal report was presented to PAT on 16th May 2017. The Peer Review evaluation and PAT have recommended the scheme pass through Activity 3 and progress to a Full Business Case at Activity 4.

The Outline Business Case detailed high level project costs of £17.311m, £17.061m of which will be funded from the WY+TF. It is anticipated that the WYCA contribution will be fixed at this level, with any scheme costs above this funded by the project promoter or project stakeholders.

A summary of the project's Business Case is included in **Appendix L**.

Costs

The total scheme cost is £17.311m. A funding approval of £3,671,314 is now sought from the WY+TF to cover a forecast spend to undertake further works, incorporating surveys, detailed designs including specialist lift and POD designs to progress through to Full Business Case, Activity 4.

Timescales

The project will seek approval of its Full Business Case at Decision Point 4 in January 2019. The scheme is forecast to be completed by March 2021

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The scheme should remain within +/- 10% of the overall scheme cost set out in this report.
- That the scheme is delivered within +/-3 months of the timescales set out in this report.

Project Responsibilities

Senior Responsible Officer:	Julian Jackson, Bradford Council
Project Manager:	Helen Morgan, WYCA
Case Officer:	Jessica McNeill, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Bradford Forster Square Station Gateway project proceeds through Decision Point 3 and the work commences on Activity 4 (Full Business Case).
- That an indicative approval to the total project value of £17.311m is given (which includes a £17.061m contribution for WY+TF), with ultimate approval to spend being granted once the project has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That development costs of £3,671,314 to be funded from the WY+TF are approved in order to progress the scheme to Decision Point 4 (Full Business Case). That WYCA issues an addendum to the existing Funding Agreement with Bradford Council for expenditure of up to £3,671,314.
- That the scheme will return to Investment Committee (for recommendation) and WYCA (for approval) at Decision Point 4, with the intention that approval at Decision Point 5 (Full Business Case with Finalised costs) will be made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances confirmed at Decision Point 4.

2.13 **LEP Loan - Gateway 45 Activity 4 (Full Business Case)**

Background

Aire Valley Land LLP has applied for a second LEP loan to accelerate the development of the Gateway 45 development. This site is within the Leeds Enterprise Zone and is strategically located on J45 of the M1.

The site is a restored surface mine and waste water treatment site which has required remediation. Since 2015, significant infrastructure has been constructed to allow plots to be brought forward for development. These early works have already been supported through a LEP loan of £4m, some of which has been repaid. This loan and accompanying security is being held by Leeds CC, as they were the Accountable Body for the LEP in 2014. To allow a further loan to be secured on the site, Leeds CC will need an instruction to release part of their charge. There is sufficient value in the site to cover both loans.

In order to give confidence in the site and accelerate its occupation, Aire Valley Land LLP is proposing to set up a new company which will speculatively build 2 industrial units of 52,500 sq ft and 105,000 sq ft on 12 acres of land, so giving a clear signal of the scheme's ability to deliver modern industrial accommodation in a timely manner. The aim of the project is to kickstart the commercial construction phase, so pump priming the development as a physical advert that the site as 'open for business' to inward investors. It is hoped that the development would also act as a catalyst for the wider development of the whole Gateway 45 site due to its high visibility from the M1. Due to these exceptional circumstances and because business rates generated by this development will return to the LEP, the LEP Investment Panel has recommended that the amount of this loan exceeds the usual £1m limit.

Any LEP loan approved by WYCA would be matched by a loan of a similar amount from the Revolving Investment Fund, operated by seven of the city region authorities. This Fund would advance the whole loan to the new company being established, with WYCA contributing 50%. The loan will comply with State Aid rules and interest will be applied.

A summary of the scheme's Business Case is included in **Appendix M**.

Costs

The LEP Loan funding of up to £3.3m will be used to fund construction costs and related fees and costs to complete the two buildings. The loan will comply with State Aid rules and interest will be applied. The interest rate applied is state aid compliant and relates to the HCA devised matrix we use, which is the EU reference rate plus a multiplier.

The total costs will also be part funded by the joint LEP/Revolving Investment Fund (RIF) loan, with the remaining funding being contributed by the Aire Valley Land LLP. The RIF will be the lead organisation for the loan with risks and reward being shared with the LEP/WYCA. In any loan recovery situation any funds would be shared 50:50 with the RIF (after costs). The risk of the loan is being carefully assessed through due diligence of Aire Valley Land LLP and will be reported back at Decision Point 5 (FBC with finalised costs). However this is currently considered acceptable as an independent valuation shows that the site is worth more than the loan amount and appropriate security will be taken.

Timescales

Planning approval has been obtained, the project is ready to commence on site in summer 2017 and will be completed by Spring 2018.

Tolerances

In order for the loan to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- That the loan should remain within the loan value set out in this report.
- That the loan period should remain at 4 years.

Project Responsibilities

Senior Responsible Officer:	Ian Ball, Aire Valley Land
Project Manager:	Iain Thomson, Aire Valley Land
Case Officer:	Sally Hinton, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Gateway 45 loan proceeds through Decision Point 4 and the work commences on Activity 5 (Full Business Case with Finalised costs).
- That an indicative approval to the total loan value of £3.3m is given, with ultimate approval to the loan being granted once the project has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That Leeds City Council are instructed that the current charge held as security for the earlier £3m LEP loan is released and imposed solely on part of the site.
- That the approval of the loan agreement at Decision 5 is made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances set out above.

2.14 **LEP Loan - Fresh Pastures Activity 4 (Full Business Case)**

Background

Fresh Pastures are seeking a LEP Loan to enable the completion of their new purpose built facility in Normanton, to food processing standards and to install two new production lines along with their existing manufacturing line. This will enable the company to expand and diversify into markets beyond their previous school milk carton business. The company will be creating value added products that use long life milk, so capitalising on the unused and therefore surplus milk available during the school holidays.

The loan of £0.8m to the Company will support existing bank borrowing and WYCA will enter a Deed of Priority as a junior lender to the Bank.

A summary of the scheme's Business Case is included in **Appendix N**.

Costs

The LEP Loan funding of up to £0.8m will be used to fund construction costs, procurement and installation of new equipment and relocation of existing manufacturing equipment. The loan will comply with State Aid rules and interest will be applied.

The risk of the loan is being carefully assessed as due diligence progresses, but an independent valuation for WYCA confirms the value of the facility at completion will be appropriate security for the LEP Loan.

Timescales

The loan is required for the start of the school summer holidays to enable the completion of the facility as described, so that it is ready to open for the new school term in September. A drawdown by mid-July is needed to enable this.

Tolerances

In order for the loan to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- That the loan should remain within the loan value set out in this report.
- That the loan period should remain within the 5 year period and repaid on an annuity basis
- That the outcomes of the financial and due diligence information significantly impacts on the risks of the loan.
- If before the final drawdown the project costs for the Company rise by more than 10% or a funding risk materialises that jeopardises the scheme

Project Responsibilities

Senior Responsible Officer:	Graham Morley, Fresh Pastures Ltd
Project Manager:	To be confirmed
Case Officer:	Chris Brunold, WYCA

Recommendations

That Investment Committee makes the following recommendations to WYCA:

- That the Fresh Pastures loan to FP Processing Limited proceeds through Decision Point 4 and the work commences on Activity 5 (Full Business Case with Finalised costs).
- That an indicative approval to the total loan value of £0.8m is given, with ultimate approval to the loan being granted once the project has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the approval of the loan agreement at Decision 5 is made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances set out above.

2.15 **Tackling Fuel Poverty Phase 4 Activity 5 (Full Business Case with Finalised Costs)**

Background

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.

Fuel poor households often live in cold and damp housing, are vulnerable to poor health and possible exclusion from services such as education and the jobs market. There are 140,000 fuel poor households in the city region, in addition, energy use in homes accounts for around 35 % of carbon emissions from the city region.

The Tackling Fuel Poverty Programme was approved by WYCA in June 2016; projects within Phases 1-3 have been submitted to subsequent meetings of WYCA, and received approval. Wakefield Council joined the Better Homes programme post the original FBC and subsequent meetings of the Investment Committee (November 2016) noted that the scale of the programme was likely increase to £6m, to accommodate Wakefield.

The Phase 1 (WYCA approval in June 2016) scheme in Calderdale, to insulate hard to treat properties, in partnership with the Joseph Crossley Almshouse Trust, has now been withdrawn. The scheme was no longer viable due to unforeseen risks, and changes to the project which could not be accommodated within the budget. Calderdale have now developed an alternative scheme and, along with Kirklees Council, are now ready to submit projects under Phase 4. If successful, this will fulfil a key political aim of delivering a project in every district through the Programme, and will take the overall LGF investment to £6m.

The other Phase 1 Projects in Leeds (Holbeck Group Repair) and Bradford are progressing well. Work is due to commence shortly in Leeds, and almost 100 properties have now been completed in Bradford, with investment of £850k Local Growth Fund, and £150k match funding (ECO and customer contributions). Wakefield, York, Selby, Harrogate and Craven (Phases 2 and 3) are mobilising; a short extension is required for Barnsley however this is within Programme tolerances, and the scheme will commence on site shortly.

The purpose of the Programme is to address fuel poverty amongst some of the most vulnerable households in the Leeds City Region through a capital programme of energy efficiency improvements, including existing solid wall, and hard to treat housing stock across all tenures.

Projects have been developed by districts, in order to ensure local strategic priorities in regard to tackling fuel poverty are met. All property tenures (social, privately owned, privately rented) are eligible for inclusion within the Programme, in order to ensure local needs are met. A sliding scale of contributions will be applied, depending on tenure, in order to stretch the Growth funding sought.

The Kirklees project is a mixed tenure scheme, in partnership with Kirklees Neighbourhood Housing and Kirklees Building Services, delivered through the Better Homes Programme. 221 social, and 70 private sector housing (former right to buy) properties will benefit. This project is part of a wider KNH investment programme to upgrade the thermal efficiency of 750 ‘hard to treat’ council owned properties in the Deighton/Brackenhall area of Huddersfield.

The project in Calderdale will deliver attic room insulation to 115 hard to treat properties in some of the most deprived areas of the district. This project will target privately owned and rented properties and is part of the Council’s £1.4m Affordable Warmth programme which is also providing heating, insulation and energy advice and support for lower income households.

The projects will be delivered through the Better Homes Yorkshire programme contracts, using local supply chain, and will sustain 17 jobs for 12 months.

The table below sets out the LGF investment and approvals by Phase, the exception (Calderdale scheme withdrawal) is identified within Phase 1. Taking into account the exception, and the request to progress Phase 4 into delivery, the total LGF investment will be £6m. This is in line with the indicative budget noted in the report to November 2016 Investment Committee.

	Existing LGF Investment Approved	**Exception**	**Proposed LGF Investment**
Phase 1 – Leeds Holbeck, Bradford and Calderdale	CA June 2016 £2,857,177	Calderdale scheme has been withdrawn (£148,177)	£2,709,000
Phase 2 – York, Selby, Craven, Harrogate, Barnsley	CA Sept 2016 £1,011,200	No change	£1,011,200
Phase 3 – Leeds Warm and Well, Wakefield	MD Jan 2017 £1,272,000	No change	£1,272,000
Phase 4 – Calderdale and Kirklees		N/A	£1,007,800
Total			£6,000,000

A summary of the scheme’s Business Case is included in **Appendix O**.

Costs (Phase 4)

The total Scheme Cost is £1,573,800. This comprises WYCA Funding of £1,007,800 (of which £500,000 to Kirklees; £507,800 to Calderdale), other public sector investment of £504,000 (from Kirklees Council) and other private sector investment of £62,000 from householder contributions.

Timescales

August 2017 – September 2018

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that are proposed in this report, it should remain within the following tolerances. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or WYCA for further consideration:

- The scheme should remain within the overall scheme cost set out in this report
- That new funding secured leads to expansion of the project beyond 10% or requires an award of further grant
- That the scheme is delivered within +/-3 months of the timescales set out in this report.
- If any key risks regarding compliance with new Ofgem regulations, high levels of complex properties which cannot be replaced increasing costs, multiple complaints about work completed or supply chain issues affecting deliverability or other substantial incident occurs.
- If there is significant impact on the delivery of the key outcomes/benefits - lower thermal comfort delivered less than expected, health and wellbeing worsened by insulation rather than improved.

Project Responsibilities

Senior Responsible Officer:	Colin Blackburn, WYCA
Programme Manager:	Vicky Dumbrell, WYCA
Case Officer:	Chris Brunold, WYCA

Recommendations

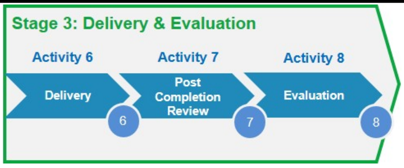
That Investment Committee makes the following recommendations to WYCA:

- The approval of the reduction of LGF investment of Phase 1 of the Tackling Fuel Poverty Programme from £2,857,177 to £2,709,000, due to the withdrawal of the Calderdale Almshouse scheme.
- The approval of Phase 4 of the Tackling Fuel Poverty Programme for delivery in targeted areas of Calderdale and Kirklees to progress from Activity 5 (FBC with Finalised Costs) to Activity 6 (Delivery). The reduction of Phase 1, together with the inclusion of Phase 4 projects, brings the total LGF investment in the Tackling

Fuel Poverty Programme to £6m. This is in line with the indicative budget noted in the report to November 2016 Investment Committee.

- The approval of WYCA funding of £1,007,800 and that WYCA enters into a Funding Agreement with Kirklees for expenditure of up to £500,000 and with Calderdale for expenditure of up to £507,800, authorise delegation to the MD to finalise the agreements.

<u>Projects in Stage 3 – Programme Committed</u>



2.16 **Better Homes (Activity 6 Change Request)**

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 (LCR) 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.

There are 140,000 fuel poor households in the city region, in addition, energy use in homes accounts for around 35 % of carbon emissions from the city region.

The Better Homes programme launched in March 2015 and; to date 2,480 homes have received energy efficiency or renewable energy measures, with a contract value of £11.2m. Almost 75% of the value has been delivered by LCR supply chain, with a further 20% by contractors just outside (i.e. Doncaster). In total 35 different sub-contractors have been awarded work through the programme and 204 jobs have been sustained.

The quality of works delivered and customer satisfaction has been excellent, the partnership is well established and has delivered many benefits in sharing best practice and resources, accelerating project delivery and securing funding. Wakefield joined the Programme in early 2017.

The Better Homes Yorkshire programme was procured at the end of December 2014. The programme is unusual in terms of a WYCA scheme, in that WYCA and the local authorities did not commit any capital funding to procure, or finance, the Services. Instead, they offered exclusive use of their branding to promote energy efficiency measures to private households, endorsement, access to data and use of their marketing channels for the duration of the contract. Instead it was anticipated that the headline KPI target of '12,000 homes improved over the first 3 years', would be delivered and financed through Energy Company Obligation (ECO) and Green Deal funding, this funding would be directly accessed by the Provider. The ECO and Green Deal funding are external funding streams over which WYCA, districts and the Provider have no control. Government policy has changed since contract award (December 2014), and this resulted in a downward trend in ECO funding available (it now represents a small top up to the cost of measures, rather than provide the full funding which it did previously). In addition Green Deal Communities and Green Deal Home Improvement funds, expected during 2015, were cancelled. This has negatively affected the ability of the Provider to deliver the headline commitment. Investment has been secured from alternative sources, by the project team, to deliver alternative projects, and finance the outputs achieved, as noted above.

The headline KPI target number of homes improved has been reviewed each Year to reflect current funding conditions, in accordance with Schedule 11 of the Framework, to allow the Framework and Call Off contracts to remain fit for purpose. An exception is requested for Year 1-3 baseline targets (agreed in 2014 and expected to be financed by ECO & GD funding) in respect of the following KPIs (note that Investment Committee have previously been advised of the changes to the funding environment, and the likely negative impact on the headline target):

- Target number of homes improved revised from 12,000 to 3,580.
- Suspension of marketing and assessment targets
- Revise target apprenticeships created, to apprenticeships supported.

All targets in respect of quality, customer service, cost control, reporting, local supply chain and jobs are retained as per the baseline, but there are some areas of performance which could be improved and a formal KPI Rectification Plan has been requested, in line with Clause 12 of the Framework, to address this.

For the avoidance of doubt, this exception does not impact on targets agreed in respect of WYCA, or partner district investment in the LGF funded Tackling Fuel Poverty Programme. The baseline targets within this programme are retained and are expected will be achieved as agreed.

Costs

There is no impact on costs to WYCA or districts as a result of this exception. WYCA and the districts receive 2% of the contract value as annual income, there is a risk of reduced income from the contract as the volume of works delivered is reduced. This is somewhat mitigated as, due to the nature of the works commissioned, the alternative projects in delivery are higher value per property, than the baseline business plan assumptions.

Timescales

The exception covers 2015/16 – 2017/18, however it is noted that the changes in external funding and impact on expected targets for 2015/16 has previously been reported to Investment Committee.

Project Responsibilities

Senior Responsible Officer:	Colin Blackburn, WYCA
Programme Manager:	Vicky Dumbrell, WYCA
Case Officer:	Chris Payne, WYCA

Recommendations

That Investment Committee recommends to WYCA the approval of the exception that Year 1-3 baseline targets in respect of the following KPIs for the Better Homes programme:

- Target number of homes improved revised from 12,000 to 3,580
- Suspension of marketing and assessment targets
- Revise target apprenticeships created, to apprenticeships supported
- That the Better Homes Yorkshire KPIs are updated in accordance with Schedule 11 of the Framework Agreement.

2.17 **Wakefield Civic Quarter – Exception Report**

Wakefield City Council have had approval to £1.1m of Local Growth Fund investment to purchase 2 key sites to enable the creation of a Civic Quarter in central Wakefield. The main objective of the Civic Quarter is to restore and convert historic buildings, bringing them back into use while delivering economic development activity, infrastructure and new jobs.

The objectives of the project are the selective demolition of multi-storey car park with the remediation of this 0.4 hectare site and the relocation of an existing business. These actions will facilitate a wider scheme in the longer term, including a potential hotel, leisure and residential development.

This project was approved by the Investment Committee on 7th September 2016 and Members were informed that Wakefield Council are seeking a Local Growth Fund grant investment of £1.1m towards the site acquisition and demolition costs. It is proposed that the grant would have conditions attached and would be repaid in full on the sale of the site, which the Council forecast could be in 2018/19.

The Investment Committee agreed to recommend to WYCA the approval of a grant of £1.1m Local Growth Funding for the Wakefield Civic project, subject to conditions, with the funding approvals to be progressed through the delegation to the Managing Director. The project was subsequently approved by WYCA on 29th September 2016.

Discussions have been ongoing with Wakefield Council regarding the conditions to be attached to the grant, especially regarding the repayment. The Council has already invested £1.5m on acquisition and land assembly as part of the project, and will incur annual net revenue costs estimated at £60k+ per annum until the sites are disposed of. However, Wakefield Council is prepared to agree with WYCA to a 50:50 split of future receipts from land sales, should those sales be straightforward disposals to a developer. If the preferred development option is by way of a joint venture of some kind, which may involve a complex public/private funding package, this split of receipts would need to be reviewed at a future date.

Following a discussion at the WYCA Programme Appraisal Team (PAT), it was agreed that this exception item should be bought back to the Investment Committee to obtain a view regarding this repayment proposal, as the share of the proceeds may not repay the £1.1m grant in full. Members are aware that the 'Loans First' principle still applies and even though a grant with conditions has been offered, if at least some funding is recouped from projects that have capacity to generate a capital receipt, this can then be recycled into other projects.

Recommendations

That Investment Committee recommend to WYCA the approval of the following exception:

- That a condition of the approved £1.1m grant for the Wakefield Civic Quarter project is that it is repaid through a 50% share of any disposal, unless that disposal involves a complex funding package, in which case this share would be reviewed.

2.18 **Decisions made through the Delegation to the Managing Director**

Since Investment Committee's meeting on 8 March 2017, decisions regarding the following six schemes have been approved. These decisions were made though the delegation to WYCA's Managing Director following a recommendation from WYCA's Programme Appraisal Team.

- **Project Primrose - Global Shared Services Centre Decision Point 4 (Full Business Case).**

  This Decision Point 4 approval related to a business grant offer for a Global Shared Service Centre for a FTSE100 company to Leeds. The applicant at the time requested anonymity, however can now be named as Burberry UK Limited. The applicant requested a capital grant against their substantial capital expenditure in the region. This investment will create 329 new additional jobs for the region. The scheme was considered by WYCA on the 6th of April 2017, and Decision Point 2 (Case Paper) approval was granted. As part of this approval it was agreed that the scheme would progress to Activity 4 (Full Business Case). It was agreed that approvals at Decision Points 4 and Decision Point 5 (Full Business Case with finalised costs) would be provided through the delegation to WYCA's Managing

Director. As a result, following a recommendation to approve the Full Business Case from WYCA's Programme Appraisal Team and the WYCA Investment Panel, Decision Point 4 approval was made through the delegation to WYCA's Managing Director on 21 April 2017.

A summary of the scheme's Business Case is included in **Appendix P**.

- **West Yorkshire Cycling & Walking to Work Fund Decision Point 5 (Full Business Case with Finalised Costs)**

  The scheme utilises a £1.5m DfT grant, and will deliver a range of revenue-funded activities including in a 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.

  The scheme was considered by WYCA on the 6 April 2017, and Decision Point 2 (Case Paper) approval was granted. As part of this approval it was agreed that the scheme would progress to Activity 5 (Full Business Case with finalised costs). It was agreed that approvals at Decision Points 5 (Full Business Case with finalised costs) would be provided through the delegation to WYCA's Managing Director. As a result, following a recommendation to approve the Full Business Case from WYCA's Programme Appraisal Team, Decision Point 5 approval at a scheme cost of £1.5m was made through the delegation to WYCA's Managing Director on 28 April 2017.

  A summary of the scheme's Business Case is included in **Appendix Q**.

- **West Yorkshire and York Broadband programme (Change Request)**

  The West Yorkshire and York Broadband programme uses public sector funding to incentivise BT, the contracted infrastructure supplier, to roll out superfast fibre broadband to those areas of West Yorkshire and York where BT would not normally go on a commercial basis. Contract 1 of the programme is complete and was successful, exceeding the number of target premises and coming in under budget. Contract 2 is to utilise more public funding (UK government and ERDF) together with the underspend from Contract 1, in deploying fast fibre to more premises, business and residential, in West Yorkshire and York.

  The opportunity to extend both the reach and the life of the Contract 2 to try to achieve the Leeds City Region strategic ambition of 100% superfast broadband access emerged. This requires the extension of the approval for use of external funding from the existing approval of £7.25m to £17.62m to take account of new ERDF and BDUK funding and reinvesting carried forward funding from Contract 1 efficiencies, BT and a refund from BDUK. In order to deliver additional outputs from this funding, a Programme Change Request was approved through a delegation to WYCA's Managing Director, and an extension to the overarching Contract 2 March 2021 was agreed. All costs associated with the extension will be funded from within the £17.62m. Approval was also granted to enter into a contract with BT to deliver Contract 2B.

Furthermore, the governance of this programme is currently being reviewed, including the position that decisions on any returned revenues will be made by WYCA in the first instance.

2.19 **WYCA Approvals Update**

The following five schemes progressed from Programme Appraisal Team (PAT) meeting directly to the WYCA meeting on 6 April 2017. These schemes were not considered by Investment Committee due to the time constraints of the funding Streams or necessity of the schemes for an urgent decision. Further information on these schemes can be found in the meeting papers for the 6 April WYCA meeting on the WYCA website and in **Appendix R** of this report:

- West Yorkshire Cycling and Walking to Work Fund Case Paper (Activity 2)
- National Productivity Investment Fund (NPIF) Case Paper (Activity 2)
- Global Shared Services Centre Case Paper (Activity 2)
- Leeds City Region HS2 Growth Strategy Phase 2
- Steeton and Silsden Active Travel Access

3. Financial Implications

3.1 The report seeks endorsement to expenditure from the available WYCA funding as set out in this report.

4. Legal Implications, Access to Information

4.1 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.

5. Staffing Implications

5.1 A combination of WYCA and District partner programme management resources are identified within the programme. The ability to secure external specialist resource is contained within the programme as well so that the resources are or will be in place in order to manage the delivery of any of the projects that may be recommended for funding from this paper.

6. Recommendations

6.1 Leeds Public Transport Investment Programme (LPTIP) – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Leeds Public Transport Investment Programme proceeds through Decision Point 2 and the work commences on Activity 3: OBC on each of the project's identified workstreams within the programme.
- That an indicative approval to the total programme value of £183.266m is given, with ultimate approval to spend being granted once the individual schemes have progressed through the assurance process to Decision Point 5.
- That approval is given to WYCA's contribution of £0.966m. This will be funded from the remainder of the WYCA funding, which had previously approved for use on the NGT Project
- That development costs of £15.310m from the DfT's £173.500m contribution for the development of the programme is approved, and that WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £11.535m.
- That individual schemes within the programme are brought forward through the Assurance Process along their own Assurance Pathway.
- That the Assurance Pathway, Approval Route and Approval Tolerance for the Programme are approved.

6.2 Leeds Bradford Airport Station (LPTIP) – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- The Leeds Bradford Airport Rail Station Scheme proceeds through Decision Point 2 and commences work on Activity 3 (Outline Business Case)
- An indicative approval to the total programme value of £25.0m is given, with ultimate approval to spend being granted only once the scheme has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- Development costs of £0.50m from the Leeds Public Transport Investment Programme for the development of the scheme is approved.
- The future approvals at Decision Point 3 & Decision Point 4 (Full Business Case) are made through a delegation to WYCA's Managing Director, with the scheme returning to Investment Committee and WYCA at Decision Point 5.

6.3 ULEV Taxi Scheme – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the ULEV Taxi Scheme proceeds through Decision Point 2 and the work commences on Activity 5: (FBC with Finalised Costs).

- That an indicative approval to the total project value of £3.180m is given, with ultimate approval to spend being granted once the scheme has progressed through the assurance process to Decision Point 5 (FBC with Finalised Costs).
- That development costs of £25, 000 are approved in order to progress the scheme to Decision Point 5 (FBC with finalised costs) from the OLEV grant.
- That the future approvals at Decision Point 5 are made through a delegation to WYCA's Managing Director. This Approval Route will be subject to the scheme remaining within the tolerances outlined above.

6.4 Knottingley Rail Station P&R – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Knottingley Rail Station Park and Ride project proceeds through Decision Point 2 and the work commences on Activity 4 (Full Business Case).
- That an indicative approval to the total project value of £1.78m is given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That development costs of £474,259 to be funded from the WY+TF are approved in order to progress the scheme to Decision Point 4.
- That the future approvals at Decision Point 4 are made through a delegation to WYCA's Managing Director following consideration and recommendation by Investment Committee. Approval at Decision Point 5 will be made through the delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above.

6.5 Rail Park and Ride Phase 2 – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Rail Park and Ride Phase 2 programme proceeds through Decision Point 2 and the work commences by the individual schemes on Activity 4 (Full Business Case).
- That an indicative approval to the total programme value of £12.5m is given, with ultimate approval to spend being granted once the individual schemes have progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs). This will be funded through WY+TF funds re-profiled from Phase 1 of Rail Park and Ride.
- That development costs of £477,100 are approved in order to progress the schemes to Decision Point 4.
- That the individual schemes return to Investment Committee and WYCA for approval at Decision Point 4 (Full Business Case) where the proposed approval route for Decision Point 5 through a delegation to WYCA's Managing Director will be confirmed. This Approval Route will be subject to the schemes remaining within the tolerances outlined above.

6.6 Elland Station (Calder Valley Line) – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Elland Station Package scheme should replace the Calder Valley Line Enhancement scheme within the WY+TF.
- That the Elland Station project proceeds through Decision Point 2 and the work commences on Activity 3 (Outline Business Case).
- That an indicative approval to the total project value of £22.036m is given, with ultimate approval to spend being granted once the scheme has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That development costs of £884,748 are approved in order to progress the scheme to Decision Point 3, and that WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £834,748 to be funded from the WY+TF. The remaining £50, 000 will be funded directly by Calderdale Council.
- That the future approvals at Decision Point 3 and Decision Point 5 are made through a delegation to WYCA's Managing Director. This Approval Route will be subject to the scheme remaining within the tolerances outlined above. The scheme will return to Investment Committee and WYCA at Decision Point 4 (Full Business Case).

6.7 LCR Flood Alleviation for Growth Programme – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Leeds City Region Flood Alleviation for Growth Programme proceeds through Decision Point 2 and the work by the individual schemes commences on Activity 3 (Outline Business Case).
- That an indicative approval to WYCA's remaining £12.2m contribution to the total programme value of £77m is given, with ultimate approval to spend being granted once the schemes have progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the individual schemes will return to Investment Committee for consideration and WYCA for approval at Decision Point 3 (Outline Business Case) or Decision Point 4 (Full Business Case), based on the level of detail produced by the Environment Agency business case process. At this stage individual Assurance Pathways and Approval Routes will be set for each scheme.

6.8 Corridor Improvement Programme – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Corridor Improvement Programme, Phase 1 proceeds through Decision Point 2 and the work commences on the 13 individual schemes on Activity 3 (Outline Business Case).

- That an indicative approval to the Phase 1 programme value of £67.8m is given, with ultimate approval to spend being granted once the individual schemes have progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That development costs of £4,482,500 are approved in order to progress the 13 individual schemes in Phase 1 to Decision Point 3 (Outline Business Case) to be funded from the WT+TF. This will include £0.408m of WYCA Programme Management costs. That WYCA enter into a Funding Agreement:
    - with Bradford for expenditure of up to £1.245m;
    - with Calderdale for expenditure of up to £0.430m;
    - with Kirklees for expenditure of up to £0.800m;
    - with Leeds for expenditure of up to £1.525; and
    - with Wakefield for expenditure of up to £0.075.
- That the individual schemes will return to Investment Committee (for recommendation) and WYCA (for approval) at Decision Point 3 (Outline Business Case). As part of this approval, individual Assurance Pathways and Approval Routes will be set for each scheme.

6.9 Strategic Inward Investment Fund – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Leeds City Region Strategic Inward Investment Fund proceeds through Decision Point 2 and the work commences on Activity 5 (Full Business Case with Finalised Costs).
- That an indicative approval to the total scheme value of £12.45m Strategic Inward Investment Fund is given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the future approvals at Decision Point 5 are made through a delegation to WYCA’s Managing Director. This Approval Route will be subject to the scheme remaining within the tolerances outlined above.

6.10 Digital Sector Soft Landing Scheme – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Digital Sector Soft Landing Scheme proceeds through Decision Point 2 and the work commences on Activity 5 (Full Business Case with Finalised Costs).
- That an indicative approval to the total scheme value of £1m is given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the future approval at Decision Point 5 is made through a delegation to WYCA’s Managing Director. This Approval Route will be subject to the scheme remaining within the tolerances outlined above.

6.11 Business Growth Programme – Decision Point 2

That Investment Committee makes the following recommendations to WYCA:

- That the Business Growth Programme proceeds through Decision Point 2 and the work commences on Activity 5 (Full Business Case with Finalised Costs).
- That an indicative approval to the total scheme value of £9m is given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the future approval at Decision Point 5 is made through a delegation to WYCA's Managing Director. This Approval Route will be subject to the scheme remaining within the tolerances outlined above.

6.12 Bradford Forster Square Station Gateway – Decision Point 3

That Investment Committee makes the following recommendations to WYCA:

- That the Bradford Forster Square Station Gateway project proceeds through Decision Point 3 and the work commences on Activity 4 (Full Business Case).
- That an indicative approval to the total project value of £17.311m is given (which includes a £17.061m contribution for WY+TF), with ultimate approval to spend being granted once the project has progressed through the assurance process to Decision Point 5 (Full Business Case with Finalised Costs).
- That development costs of £3,671,314 to be funded from the WY+TF are approved in order to progress the scheme to Decision Point 4 (Full Business Case). That WYCA issues an addendum to the existing Funding Agreement with Bradford Council for expenditure of up to £3,671,314.
- That the scheme will return to Investment Committee (for recommendation) and WYCA (for approval) at Decision Point 4, with the intention that approval at Decision Point 5 (Full Business Case with Finalised costs) will be made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances confirmed at Decision Point 4.

6.13 Gateway 45 Loan– Decision Point 4

That Investment Committee makes the following recommendations to WYCA:

- That the Gateway 45 loan proceeds through Decision Point 4 and the work commences on Activity 5 (Full Business Case with Finalised costs).
- That an indicative approval to the total loan value of £3.3m is given, with ultimate approval to the loan being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That Leeds City Council are instructed that the current charge held as security for the earlier £3m LEP loan is released and imposed solely on part of the site.

- That the approval of the loan agreement at Decision 5 is made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances set out above.

6.14 Fresh Pastures Loan – Decision Point 4

That Investment Committee makes the following recommendations to WYCA:

- That the Fresh Pastures loan proceeds through Decision Point 4 and the work commences on Activity 5 (Full Business Case with Finalised costs).
- That an indicative approval to the total loan value of £0.8m is given, with ultimate approval to the loan being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- That the approval of the loan agreement at Decision 5 is made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances set out above.

6.15 Tackling Fuel Poverty Phase 4 – Decision Point 5

That Investment Committee makes the following recommendations to WYCA:

- The approval of the reduction of LGF investment of Phase 1 of the Tackling Fuel Poverty Programme from £2,857,177 to £2,709,000, due to the withdrawal of the Calderdale Almshouse scheme.
- The approval of Phase 4 of the Tackling Fuel Poverty Programme for delivery in targeted areas of Calderdale and Kirklees to progress from Activity 5 (FBC with Finalised Costs) to Activity 6 (Delivery). The reduction of Phase 1, together with the inclusion of Phase 4 projects, brings the total LGF investment in the Tackling Fuel Poverty Programme to £6m. This is in line with the indicative budget noted in the report to November 2016 Investment Committee.
- The approval of WYCA funding of £1,007,800 and that WYCA enters into a Funding Agreement with Kirklees for expenditure of up to £500,000 and with Calderdale for expenditure of up to £507,800, authorise delegation to the MD to finalise the agreements.

6.16 Better Homes – Activity 6 - Change Request

That Investment Committee recommends to WYCA the approval of the exception that Year 1-3 baseline targets in respect of the following KPIs for the Better Homes programme:

- Target number of homes improved revised from 12,000 to 3,580
- Suspension of marketing and assessment targets
- Revise target apprenticeships created, to apprenticeships supported
- That the Better Homes Yorkshire KPIs are updated in accordance with Schedule 11 of the Framework Agreement.

6.17 Wakefield Civic Quarter – Activity 6 Exception Report

That Investment Committee recommend to WYCA the approval of the following exception:

- That a condition of the approved £1.1m grant for the Wakefield Civic Quarter project is that it is repaid through a 50% share of any disposal, unless that disposal involves a complex funding package, in which case this share would be reviewed.

7. Appendices

- A - Leeds Public Transport Investment Programme and (LPTIP) Expression of Interest/Business Case Summary
- B - Leeds Bradford Airport Station Expression of Interest/Business Case Summary
- C - ULEV Taxi Scheme Expression of Interest/Business Case Summary
- D - Knottingley Rail Station P&R Expression of Interest/Business Case Summary
- E - Rail Park and Ride Phase 2 Expression of Interest/Business Case Summary
- F - Elland Station (Calder Valley Line) Expression of Interest/Business Case Summary
- G - LCR Flood Alleviation for Growth Programme Expression of Interest/Business Case Summary
- H - Corridor Improvement Programme Expression of Interest/Business Case Summary
- I - Strategic Inward Investment Fund Expression of Interest/Business Case Summary
- J - Digital Sector Soft Landing Scheme Expression of Interest/Business Case Summary
- K - Business Growth Programme Expression of Interest/Business Case Summary
- L - Bradford Forster Square Station Gateway Business Case Summary
- M - LEP Loan - Gateway 45 Business Case Summary
- N - LEP Loan – Fresh Pastures Business Case Summary
- O - Tackling Fuel Poverty Phase 4 Business Case Summary
- P - Global Shared Services Centre Business Case Summary
- Q - West Yorkshire Cycling & Walking to Work Fund Business Case Summary
- R - Meeting papers for the 6 June WYCA meeting

8. Background Documents

8.1 None as part of this report

Scheme Summary

Name of Scheme:	**Leeds Public Transport Investment Programme (LPTIP)**
PMO Scheme Code:	DFT-LPTIP-001
Lead Organisation:	Joint promotion: Leeds City Council and WYCA
Senior Responsible Officer:	Gary Bartlett, Leeds City Council
Deputy Senior Responsible Officer and Lead officer for Bus components	Dave Pearson, WYCA
Lead LCC Promoter Contact:	Andrew Wheeler, Leeds City Council

Applicable Funding Stream:	Grant for this named programme
Growth Fund Priority Area (if applicable):	N/A

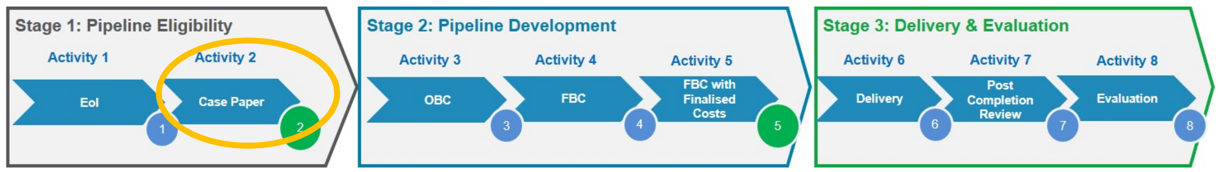
Forecasted Full Approval Date (Decision Point 5):	To be identified during Activity 3
Forecasted Completion Date:	Must be 'substantially' completed by end of 2020/21 (as defined by DfT funding condition letter)

Total Scheme Cost (£):	£275.1 million
WYCA Funding (£):	£174.5 million funded through the £173.5m DfT grant and a £1m direct contribution from WYCA.
Total other public sector investment (£):	£8.8 million (LCC)
Total other private sector investment (£):	£15.0 million (developer contribution - via LCC) £71.0 million (First West Yorkshire)

Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	£173.5 million of funding has been allocated to WYCA from DfT. This allocation was based on a Strategic Outline Case submitted to them in December 2016. The funding allocation has now been approved by Ministers. DfT have issued a set of high level conditions which will be formally incorporated into Grant Documentation. Part of the conditions from DfT include a minimum local contribution from WYCA/LCC of £9.8m. Further assumptions have been made which indicate potential contributions of £15m from LCC (based on Developer contributions) and £71m from First WY (for bus fleet replacement).

	The minimum expenditure (by 2020/21) to be delivered 'substantially' will be £183.3m and this could extend by a further £92m to £275.1m.

Current Assurance Process Activity:



Scheme Description:

The LPTIP is a Programme comprising 8 packages. Those packages cover:

- Development and definition of the programme
- Programme and project management for the development and delivery of the programme and component programmes and projects
- Implementation of a series of infrastructure measures (bus and rail)
- Delivery of bus a range of network enhancements
- Development and definition of a longer term mass transit strategy and implementation plan
- A package of bus fleet upgrades

The programme is proposed to incorporate the following packages:

Package 1 Programme Management

Resourcing for a dedicated programme team with additional technical specialised support for the overall management, development and delivery of the programme.

Package 2 Bus Priority Corridors

Investment in a number of key corridors to reduce bus journey times and improve bus service reliability including the following key corridors:

- A61/A639 South: To provide a high quality bus priority corridor from the Stourton park & ride into the city centre;
- A61 North: A series of bus priorities which address traffic hotspots, building on the existing Guideways in North Leeds;
- A660: Improving bus journey times and reliability by investing in the Lawnswood roundabout and localised priority interventions;
- A58 North East: Investment at key traffic hotspots to improve bus journey times along the corridor;
- A647: Bus priority through the congested A647, linking to the park & ride expansion at New Pudsey railway station; and
- Provision to examine the wider corridor network needs as part of the longer term 10 year plan for the bus network.

Package 3 Bus Park and Ride

New park and ride facilities will be developed to the north and south (Stourton) of the city and further expansion of the facilities at Elland Road.

Package 4 City Centre

City centre road layouts and infrastructure will be redesigned to reduced congestion and improve and the pedestrian environment including the following key arrival and departure points and transit corridors:

- Woodhouse Lane
- Corn Exchange

- The Headrow
- Albion Street
- Infirmary Street
- Other "hotspots" within the bus box

Package 5 Rail

The programme will develop three new rail stations across the city at proposed sites in Leeds Bradford airport, Thorpe Park and White Rose, with accessibility improvements at a further three stations; Cross Gates, Morley and Horsforth. Furthermore it is proposed that the car park facilities for New Pudsey are expanded to increase its capacity within the Leeds Bradford corridor and provision for enabling delivery of the initial phases of the Yorkshire Hub masterplan.

Package 6 Bus Delivery

This will include a review of connectivity throughout the Leeds district with funds made available for community focussed local bus networks and other innovative solutions. Bus top up grants will be considered by WYCA in order to support the city standard for low emissions by 2020 where this is demonstrably required. The package will further support real-time improvements at bus stops and transport hubs. This also includes the redevelopment of the Leeds Bus Station and creation of an additional 1,000 real time displays.

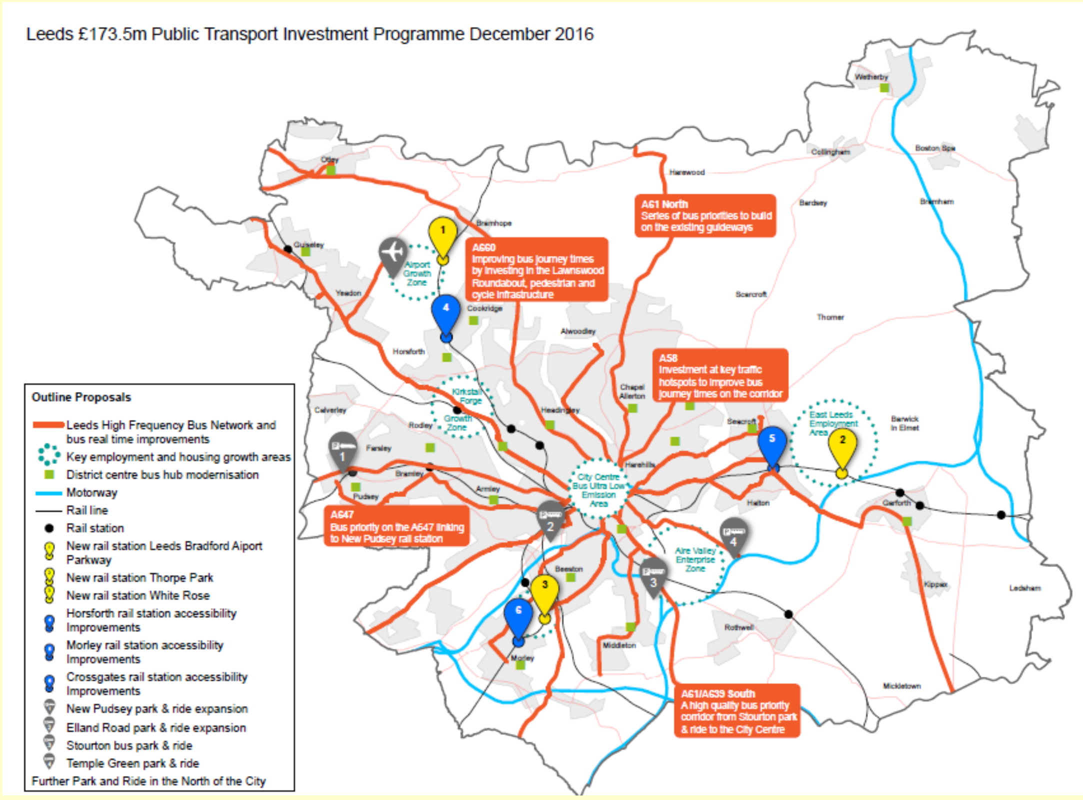
Package 7 Mass Transit

Development of a long term mass transit approach for the city as a component of the longer term Transport Strategy and complementing the HS2 Growth Strategy and City Centre South bank.

Package 8 Bus Delivery Board

A series of measures to improve the bus service offer. This includes the introduction to the network of 284 new vehicles at a Euro VI standard (low emission) to replace Euro IV and Euro V buses by First West Yorkshire.

The EOI includes a visual representation of the programme as follows:



Business Case Summary:	
Strategic Case	A Strategic Outline Business case was submitted to DfT in December 2016 and was a key part of the evidence in enabling funding to be allocated by DfT to WYCA/LCC for the programme. The strategic case focuses on supporting employment/productivity growth across Leeds, but particularly in Leeds city centre, through investment in public transport. The package will enable 'good' growth by: • Reducing congestion and improving air quality • Ensuring the PT network is accessible for all and fit for purpose in connecting commuters with jobs, and by encouraging reduced car use, it would improve health outcomes • Improving the quality, legibility and accessibility of public transport infrastructure making it more usable and open to a wider set of commuters • Integrating and aligning with committed investment programmes such as that being delivered through the WY Transport Fund • Working towards Doubling bus patronage within 10 years The programme aligns with the SEP Pillar 4 (infrastructure for growth) and focuses on demonstrating how it will improve social inclusion, air quality and sustainable economic growth.
Commercial Case	As this stage the commercial case is appropriately defined. It flags up the essential steps that will be taken during the development of a detailed set of costed designs steps as the programme and component projects pass through the appraisal process. This work is critical as delivery of elements within the Programme will be

	expected to ramp up and the construction industry will need the capacity to meet future demands. It flags up the need to set up a Delivery partner. LCC will (once the process to establish a Development partner has completed, which is well underway and will conclude by August) work on procurement documents to create and secure a delivery partner. The capacity to develop and deliver rail projects is also critical and it is essential that early work with NR is undertaken to explore delivery options which can accelerate the normal delivery timescales. This will necessitate additional client/programme management resources within WYCA.
Economic Case	The approach to the Economic case was endorsed by DfT during the development of the SOC. It uses an Excel based approach to calculating benefits for different components of the programme, namely: • Bus priority • Bus based park and ride • City centre transport hub • Passenger information • Bus operator contributions for low emission buses • Reconnecting communities • New rail stations • Extensions to rail park and rail facilities • Accessibility at rail stations The analysis, while high level is based on available data and 'real' evidence from similar projects delivered in Leeds/WY and/or values taken from webTAG, rather than a transport/highway modelling package. The calculation of PVB is based on a set of level of assumed outputs for each of the components above. This suggests a PVB (over 60 years) of between £364m to £432m. The UDM was used to provide a strategic forecast of the employment and GVA impacts at the programme level which suggests circa +2000 additional jobs with a GVA of circa £200m per annum. It is highly likely that the programme BCR will exceed the cumulative effects of individual projects predicted discretely due to the synergy across the programme and the network effects. There may be benefit in undertaking a Programme based BCR analysis, but in the first instance economic vfm measures will be undertaken on a project by project level.
Financial Case	The cost and expenditure profiles are at this stage highly provisional and based on early estimates. What is clearer is the funding summary (as set out on page 4) with £173.5 coming directly from DfT. Subject to an 'annual review meeting' between WYCA/LCC and DfT, the grant from DfT will be paid at the following rates: • 2017/18 £21.0m • 2018/19 £48.7m • 2019/20 £49.1m • 2020/21 £54.7m • Total £173.5m The annual review meeting will include coverage of progress with 'delivery and decision making'. As such the SOC includes a more clarity on what the £21.0m

would be spent on during 2017/18, compared to later years. The proposal is the expenditure in 2017/18 would include the following delivery and development works:

- Delivery of real time information and transport hub upgrades
- Detailed design e.g. Stourton P&R or outline design/feasibility on other works
- Detailed design of a number of bus priority schemes and park and ride projects

Development of projects with delivery during remainder of programme plan period. The development of designs (for highway works) would be facilitated by the establishment of a ‘Development Partner’ which is being progressed by Leeds City Council. Procurement documentation has prepared and will be issued shortly. An appointment is planned by August, which leaves just over 6 months in 2017/18 to spend significant sums including that on packages 2 (bus Priority corridors), 3 (park and ride) and 4 City centre gateways). The £15.3m would be spent as follows:

Package	Spend in 2017/18	Scope
1	1,000,000	Programme management (via PPPU), PR/Comms, PMO, Legal, Resource, Assurance
2	5,260,000	Feasibility works on Bus priority corridors
3	2,749,800	Mix of outline and detailed design work on bus Park and ride
4	2,900,000	Development of outline design work for City centre gateways
5	1,950,000	Rail development of feasibility work
6	1,450,000	Bus delivery
7	-	Mass transit (development funded from Growth Strategy in 17/18)
8	-	Bus delivery Board (funded from operators)
TOTAL	15,310,00	

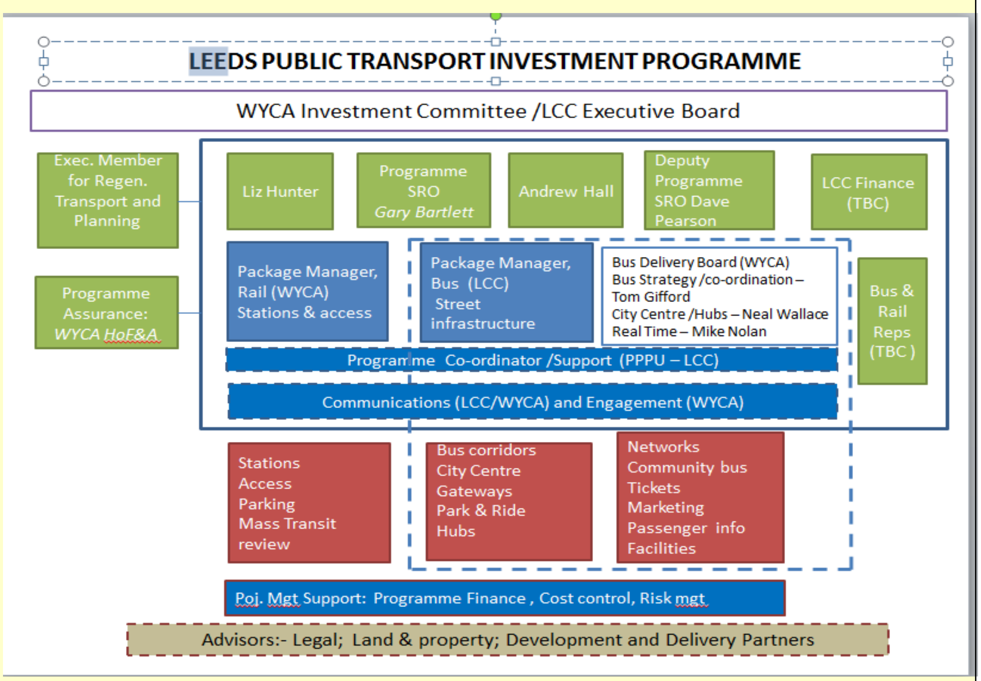
Management Case

WYCA and LCC have a recent track record of delivering the type of project set out in the Packages including Quality bus priority corridors, rail stations, park and rides (bus and rail) and bus improvement works such as real time, network enhancements and information. The need to accelerate the development and delivery of a large package of these types of work, in a short timescale (4 years) does create questions on the capacity, not the capability, of both LCC and WYCA.

In terms of governance the Programme will be managed by a dedicated Programme Board, with 3 (sub) Programmes – Highways/Bus (Infrastructure), Rail and Bus Operations. This would be carried out using MSP/Prince 2 principles.

Individual Projects would be managed by Working Groups, all feeding up into the Programme Board

The Governance arrangements, which are already in place at the Programme level are organised as follows:

LEEDS PUBLIC TRANSPORT INVESTMENT PROGRAMME
WYCA Investment Committee /LCC Executive Board
Exec. Member for Regen. Transport and Planning
Programme Assurance: WYCA HoF&A
Liz Hunter
Programme SRO Gary Bartlett
Andrew Hall
Deputy Programme SRO Dave Pearson
LCC Finance (TBC)
Package Manager, Rail (WYCA) Stations & access
Package Manager, Bus (LCC) Street infrastructure
Bus Delivery Board (WYCA)
Bus Strategy /co-ordination – Tom Gifford
City Centre /Hubs – Neal Wallace
Real Time – Mike Nolan
Bus & Rail Reps (TBC)
Programme Co-ordinator /Support (PPPU – LCC)
Communications (LCC/WYCA) and Engagement (WYCA)
Stations Access Parking Mass Transit review
Bus corridors City Centre Gateways Park & Ride Hubs
Networks Community bus Tickets Marketing Passenger info Facilities
Poj. Mgt Support: Programme Finance , Cost control, Risk mgt
Advisors:- Legal; Land & property; Development and Delivery Partners

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Scheme Summary

Name of Scheme:	**Leeds Bradford Airport Rail Station**
PMO Scheme Code:	DFT—LPTIP-005a
Lead Organisation:	West Yorkshire Combined Authority (WYCA)
Senior Responsible Officer:	Liz Hunter
Lead Promoter Contact:	Rebecca Cheung

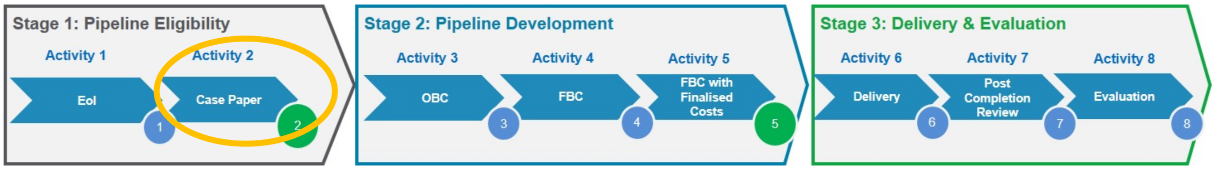
Applicable Funding Stream:	Leeds Public Transport Investment Programme
Growth Fund Priority Area (if applicable):	N/A

Forecasted Full Approval Date (Decision Point 5):	August 2020
Forecasted Completion Date:	Late 2022 / Early 2023

Total Scheme Cost (£):	£25m
WYCA Funding (£):	£0.5m - Further contributions to full scheme costs will be confirmed at Decision Point 3 (Outline Business Case).
Total other public sector investment (£):	£0
Total other private sector investment (£):	TBC

Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	Yes - scheme is part of the Leeds Public Transport Investment Programme (LPTIP)
Current Funding Allocation:	£0.5m from Leeds Public Transport Investment Programme. Further funding allocations to be determined at Outline Business Case.

Current Assurance Process Activity:



Scheme Description:
The proposed scheme will provide heavy rail connectivity to/from Leeds Bradford Airport and new jobs afforded by its nearby economic development area, as well as improved park and ride access to Leeds. Along with the provision of a minimum half hourly train service, it includes the construction of two platforms with associated station facilities such as waiting rooms/ shelters, passenger information screens, lighting, ticket vending machines etc. It will also include the provision of car parking facilities with an interchange facility for airport shuttle buses. A connection to the appropriate highway network is also included as part of this scheme. This scheme is part of the Leeds Public Transport Investment Programme (LPTIP) – Package 5 Rail.

Business Case Summary:	
Strategic Case	The Leeds Bradford Airport Parkway supports the ambitions of the Leeds City Region Strategic Economic Plan (SEP), focussing on economic growth and supporting the delivery of a SEP's employment growth area spatial priority. Currently there is poor connectivity to the airport and limited opportunity for park and ride into Leeds.
Commercial Case	The commercial case for the delivery of the scheme is currently under development.
Economic Case	The scheme would be expected to contribute to the priorities of the Leeds City Region Strategic Economic Plan (SEP) with improved connections being provided to one of the city region's key assets. The scheme has outcomes relating to improving connectivity and public transport access and patronage to the airport and the unlocking of development land adjacent to the airport. An outline feasibility study suggests the scheme could offer high value for money.
Financial Case	The estimated cost of the scheme is £25m. A spend profile has been created for the scheme with further contributions to full scheme costs to be confirmed at Outline Business Case. £0.5m from LPTIP has been allocated in order to complete the required engineering design works and develop an Outline Business Case.
Management Case	Delivery partners for the scheme have been identified, but the delivery agents for certain stages of the scheme is still undecided. Several project management documents are in place such as a high level programme and risk register, but other document is to be produced during the GRIP stage processes.

Scheme Summary

Name of Scheme:	**Ultra-Low Emissions Vehicle Taxi Scheme**
PMO Scheme Code:	DFT-ULEV-001
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	Liz Hunter
Lead Promoter Contact:	Alistair Ryder

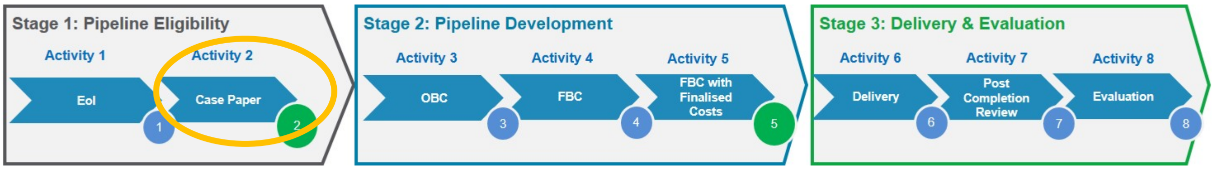
Applicable Funding Stream:	Secured Office for Low Emission Vehicles Grant (OLEV)
Growth Fund Priority Area (if applicable):	N/A

Forecasted Full Approval Date (Decision Point 5):	June 2017
Forecasted Completion Date:	2020

Total Scheme Cost (£):	£3.18m
WYCA Funding (£):	£3.18m
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?	Yes – LTP IP3, OLEV
Current Funding Allocation:	Office for Low Emission Vehicles Grant - £1.98m Local Transport Plan: Investment Period 3 - £1.2m

Current Assurance Process Activity:



Scheme Description:
Delivery of 88 charge points for dedicated use by hackney carriage taxi and private hire vehicles via procurement of commercial installer/operator across the five West Yorkshire districts. Establishment of a legal agreement with private charge point investor/operator to enable further private investment in a commercial West Yorkshire charge point network to incorporate public, taxi and e-bike charge points. Charge point infrastructure and district taxi license measures should lead to 5.1% conversion of taxi/private hire fleets to ultra-low emission by 2020, to be monitored through local authority vehicle licensing records. *Target taken from EST West Yorkshire Taxi Scheme Feasibility Study 2016.* This should lead to an 18% improvement in NOx emissions by 2020 (as per EST West Yorkshire Taxi Scheme Feasibility Study) of the West Yorkshire Taxi fleet. This will be modelled/monitored using vehicle emission monitoring equipment, roadside air quality monitoring and taxi license records. *Target taken from EST West Yorkshire Taxi Scheme Feasibility Study 2016.* Utilisation of taxi charge points to a commercially viable level – c. 4hr charging per unit per day (to be confirmed during procurement) by 2019/20. Tracked through charge point utilisation information to be provided quarterly. WYCA support for a West Yorkshire Public Charge Point Network supports 10% conversion of private vehicles to Ultra-Low Emission Vehicles (ULEV) by 2020 as per national ULEV uptake target – tracked using DfT regional car registration statistics.

Business Case Summary:	
Strategic Case	The Leeds City Region Strategic Economic Plans vision for ‘good growth’ in our economy includes the objective of creating quality places and environments. Unfortunately, West Yorkshire’s urban areas have some of the highest levels of air pollution in the UK. Public Health England estimate that 1 in 20 deaths in West Yorkshire are attributable to air pollution. Road transport is the biggest contributor to air pollution and cars (including taxi and private hire vehicles) are the largest source of those emissions. The West Yorkshire Transport Strategy supports delivery of the SEP objectives and recognises the role transport has to play in improving air quality and creating healthy places to live and work, and supporting a local carbon economy. Transport Strategy policy proposals include supporting uptake of Ultra Low Emission Vehicles (ULEV) including plug-in electric by creating a charge point network.

	Failure to meet European air quality levels for Nitrogen Dioxide in Leeds City Centre has resulted in a Clean Air Zone being declared from 2020. The Clean Air Zone will place a financial penalty on Buses, Taxis, Light and Heavy Goods Vehicles that do not adhere to minimum Euro Emission standards (Euro IV petrol, Euro VI diesel). The West Yorkshire local authorities will also be using their influence when licensing hackney carriages and private hire vehicles and contracting taxi transport services to improve vehicle emission standards across the area. The problems identified above and emerging need to act on transport related air quality create the conditions and incentives for change both in the taxi and private car sectors. Taxis (hackney carriage and private hire vehicles) in West Yorkshire are predominantly diesel cars or vans in West Yorkshire with an average vehicle age of 6.5 years. The majority of journeys are within town and city centres and therefore contribute to local air pollution issues. This Taxi Scheme will support low carbon, zero emission taxi and private hire operation across West Yorkshire through the required charging infrastructure to support fleet conversion. The West Yorkshire Low Emission Strategy – adopted by WYCA in March 2017 – supports delivery of a low carbon and clean environment as stated it in SEP and Transport Strategy. It makes a series of recommendations and proposals on how local authorities will support improvements in transports contribution to poor air quality. WYLES proposals include delivery of a Charge Point Network. This project presents the opportunity for WYCA and local authorities to work with an appointed private operator/investor to install a series of strategic charge points, especially at sites local authorities have put forward for charge point installation as part of a Technical Feasibility Study, delivered by WYCA in 2016. This project has potential to leverage significant private capital for delivery of a taxi and wider public commercial charge point network, with no ongoing revenue requirement of WYCA or local authorities. Local authorities are only offering agreed 'host sites' on which charge points may be located. The partnership with investor/operator has potential to add value to delivery of relevant projects within the WYTF or Low Emission Bus Schemes.
Commercial Case	The OLEV Grant will be used for specialist input to draft tender documents - agreement/specification during procurement of private charge point investor/operator (c.£25k). This will ensure efficient procurement and agreement signature process. Pending this process, the full commercial case will be defined at Full Business Case (Activity 4).
Economic Case	**Yet to be defined** – Office for Low Emission Vehicles Grant commissioned a feasibility study to assess deliverability and set the measures of success for the scheme. Based on the positive outcome of this study, OLEV approved funding the project

	The scheme objectives serve as measurements of success and provide an opportunity to build an economic if deemed necessary at OBC/FBC stage. In terms of monetised benefit, as part of preliminary scoping work, the scheme is forecast to deliver a 5.1% conversion of taxi and private hire fleets to ULEV by 2020 (West Yorkshire Taxi Scheme Study, EST, 2016) This equates to an 18% reduction in NOx emissions across West Yorkshire and an estimated health cost saving of £189,000 per annum by 2020. (WYLES, 2016).
Financial Case	In addition to the capital identified above for drafting procurement documentation, capital will be provided to private operator to purchase and install 88 dedicated taxi/private hire charge points over 3 year delivery period up to 2019/20 using OLEV capital grant funding (£1.98m for 75% of capital for unit/installation costs). Remaining 25% capital for unit/installation costs is identified in the LTP IP3 match (£1.2m – indicatively secured) but may not be required due to private investor funding ((£ tbc – determined at procurement stage). No ongoing revenue support will be provided from WYCA or local authorities. The project is to pump-prime a commercial network operation.
Management Case	To be fully defined at FBC stage (Activity 5). However as mentioned above, management of the project will focus on delivery by the successful charge point provider and taxi operators interested in benefiting from the scheme. There will be limited WYCA project management requirement to oversee this process. This resource has been agreed in principal by the Delivery Directorate. **Marketing and information**: Material to be funded from OLEV grant/LTP funding/private investor (c. £20k).

Scheme Summary

Name of Scheme:	**Knottingley Rail Park & Ride**
PMO Scheme Code:	WYTF-PA4-039I
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	Melanie Corcoran
Lead Promoter Contact:	Pete Coello

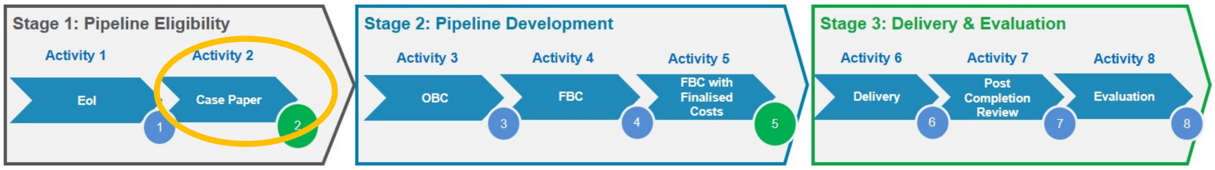
Applicable Funding Stream:	West Yorkshire 'Plus' Transport Fund
Growth Fund Priority Area (if applicable):	Infrastructure for Growth (PA4)

Forecasted Full Approval Date (Decision Point 5):	Q2 2018/19
Forecasted Completion Date:	Q1 2019/20

Total Scheme Cost (£):	£1.78m
WYCA Funding (£):	£1.78m
Total other public sector investment (£):	N/A
Total other private sector investment (£):	N/A

Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	Yes – the WY+TF Rail Park & Ride (Phase 1) Programme
Current Funding Allocation:	£32.5m for the Rail Park & Ride Programme has been allocated within the WY+TF and is affordable within this programme.

Current Assurance Process Activity:



Scheme Description:
A surface level car park extension at Knottingley Railway Station, to supplement the existing 33 car parking spaces, with an additional 115 car parking spaces.

Business Case Summary:	
Strategic Case	A strategic package of car park extensions at West Yorkshire rail stations has been identified to enhance connectivity to, from and within West Yorkshire. The purpose of the programme is to increase car parking capacity at selected stations, of which there is a greater return in terms of weighted benefit for all users, in terms of minutes. The potential for additional car parking capacity has been identified. The car park improvements will deliver more localised benefits as a result of improved access to the rail network. The scheme is designed to support sustainable employment growth in the main urban centres and will particularly benefit commuters, but also support more travel into the urban centres by rail. The Strategic Case outlines Business Strategy to development and delivery of rail station car park extensions. Existing issues and problems at rail stations are set out. Logic mapping has been applied to setting out objectives.
Commercial Case	The commercial case for the Rail Package as a whole is based on not charging rail users to use the car park; therefore there is no contributory income to account for. Previous Metro/WYCA experience demonstrates that charging even a small nominal fee for rail station car parks results in users parking on nearby streets and land resulting in localised road congestion. In terms of Procurement; Knottingley Rail Station & Car Park is owned by Network Rail whilst operated & maintained by the Train Operating Company Northern. Therefore at this stage, it is envisaged that development works would be procured via Northern and governed by Network Rail's GRIP process.
Economic Case	Scheme benefits focus on access time savings and quality benefits for rail users resulting from new and enhanced station car parking capacity. A high-level forecasting methodology, based on station catchment areas, has been developed to underpin the appraisal process. The forecasting exercise makes use of Census Travel to Work data, to assess base levels of rail car parking demand, for all stations within West Yorkshire. The demand forecasting results demonstrate the requirement for additional

	spaces at each of the stations within the programme and reflect a significant demand for Rail Park and ride provision throughout West Yorkshire.
Financial Case	£32.5m for the Rail Park & Ride Programme has been allocated within the WY+TF. Funding for this scheme (as part of the programme) has yet to be approved. An estimated £1.78m delivery cost for a scheme at Knottingley station has been projected at this stage, this would be covered in full by the WY+TF. Land acquisition is required for this scheme and the agreed acquisition position of the land would be reflected in the actual spend against the project. In consideration of the risks and issues associated with working alongside and adhering to Networks Rail's GRIP process a contingency of 30% has been allocated to the project which is the standard allocation to a rail based project at this stage, this allocation of contingency was not included at EoI resulting in the higher cost request here.
Management Case	A Programme Board Governance Structure was established in 2014 for WYCA's Park & Ride Package. This includes representation from WYCA as Chair, Network Rail, Northern and District Partners. WYCA's Programme of Rail Park & Ride schemes, including Knottingley, has and will continue to be Promoted and Project Managed by WYCA using PRINCE2 project management procedures. A partnership approach between WYCA, Network Rail, Northern and the Districts is essential to the successful delivery of the Programme. WYCA has adopted the good practice methodologies of PRINCE2 and Managing Successful Programmes (MSP) for the management of its portfolio of programmes and projects. These methodologies enable the organisation to provide robust project controls, as well as providing clear channels for relevant approvals and project/programme direction. They also encourage timely and relevant reporting. Prioritisation of phasing has been agreed by the Programme Board in line with its Terms of Reference. Development and Delivery of the Programme's individual schemes and governed and assured by the Rail Industry's GRIP processes.

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Scheme Summary

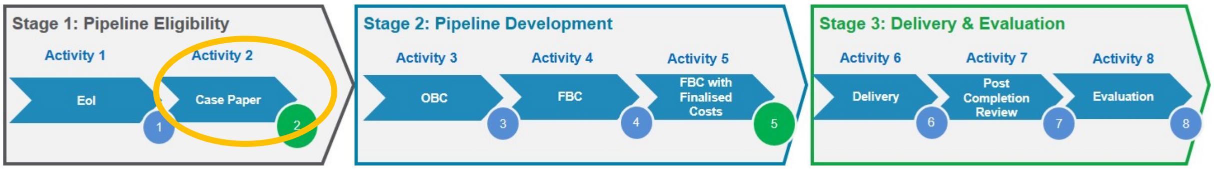
Name of Scheme:	**Rail Park & Ride – Phase 2a Programme**
PMO Scheme Code:	WYTF-PA4-040
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	Melanie Corcoran
Lead Promoter Contact:	Pete Coello

Applicable Funding Stream:	West Yorkshire 'Plus' Transport Fund
Growth Fund Priority Area (if applicable):	Infrastructure for Growth (PA4)

Forecasted Full Approval Date (Decision Point 5):	Site dependant will be delivered in a phased approach with the first Full Business Case coming forward Q1 18/19
Forecasted Completion Date:	Site dependant will be delivered in a phased approach.

Total Scheme Cost (£):	£12.5m
WYCA Funding (£):	£12.5m
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?	N/A
Current Funding Allocation:	None – Phase 2a Rail P&R has no baseline allocation under the West Yorkshire Plus Transport Fund. Due to underspend against Phase 1, a second phase of projects have been identified and brought forward.

Current Assurance Process Activity:


Scheme Description:
A Phase 2 strategic programme of Rail & Park Ride schemes at West Yorkshire rail stations has been identified, to enhance connectivity to, from and within West Yorkshire. The purpose of the programme is to increase car parking capacity at selected stations of which there is a greater return in terms of weighted benefit for all users in terms of minutes. The potential for additional car parking capacity has been identified. The Rail Park & Ride park improvements will deliver more localised benefits as a result of improved access to the rail network. The scheme is designed to support sustainable employment growth in the main urban centres and will particularly benefit commuters, but also support more travel into the urban centres by rail. To manage delivery profiles and certainty of spend, Phase 2 locations have been sub-divided into Phase 2a and 2b. 2a locations are within the ownership of the rail industry and can be brought forward for delivery by 2021 and can be delivered through re-profiling of underspend of Phase 1. It needs to be fully considered and noted that whilst the success of Phase 1 and the further opportunities that arose which led to the work to develop a Phase 2 programme, there is no baseline allocation for the Phase 2b sites under the WY+TF.

Business Case Summary:	
Strategic Case	A strategic package of car park extensions at West Yorkshire rail stations has been identified to enhance connectivity to, from and within West Yorkshire. The purpose of the programme is to increase car parking capacity at selected stations, of which there is a greater return in terms of weighted benefit for all users, in terms of minutes. The potential for additional car parking capacity has been identified. The car park improvements will deliver more localised benefits as a result of improved access to the rail network. The scheme is designed to support sustainable employment growth in the main urban centres and will particularly benefit commuters, but also support more travel into the urban centres by rail. The Strategic Case outlines Business Strategy to development and delivery of rail station car park extensions. Existing issues and problems at rail stations are set out. Logic mapping has been applied to setting out objectives.

Commercial Case	The commercial case for the Rail Package as a whole is based on not charging rail users to use the car park; therefore there is no contributory income to account for. Previous Metro/WYCA experience demonstrates that charging even a small nominal fee for rail station car parks results in users parking on nearby streets and land resulting in localised road congestion.
Economic Case	Scheme benefits focus on access time savings and quality benefits for rail users resulting from new and enhanced station car parking capacity. A high-level forecasting methodology, based on station catchment areas, has been developed to underpin the appraisal process. The forecasting exercise makes use of Census Travel to Work data, to assess base levels of rail car parking demand, for all stations within West Yorkshire. The demand forecasting results demonstrate the requirement for additional spaces at each of the stations within the programme and reflect a significant demand for Rail Park and ride provision throughout West Yorkshire.
Financial Case	In reflection of the early stages of the project the level of financial appraisal has been sufficient and the scheme costs proposed are reflective of the works identified. This element of project development will continue in detail to ensure a detailed Cost Assessment is reached.
Management Case	A Programme Board Governance Structure was established in 2014 for WYCA's Park & Ride Package. This includes representation from WYCA as Chair, Network Rail, Northern and District Partners. WYCA's Programme of Rail Park & Ride schemes, has and will continue to be Promoted and Project Managed by WYCA using PRINCE2 project management procedures. A partnership approach between WYCA, Network Rail, Northern and the Districts is essential to the successful delivery of the Programme. WYCA has adopted the good practice methodologies of PRINCE2 and Managing Successful Programmes (MSP) for the management of its portfolio of programmes and projects. These methodologies enable the organisation to provide robust project controls, as well as providing clear channels for relevant approvals and project/programme direction. They also encourage timely and relevant reporting. Prioritisation of phasing has been agreed by the Programme Board in line with its Terms of Reference. Development and Delivery of the Programme's individual schemes and governed and assured by the Rail Industry's GRIP processes.

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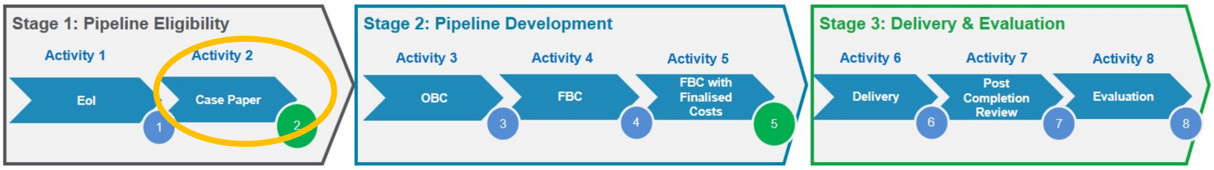
Scheme Summary

Name of Scheme:	**Calder Valley Line: Elland Station Package**
PMO Scheme Code:	WYTF-PA4-042a
Lead Organisation:	Calderdale Council
Senior Responsible Officer:	Steven Lee, Head of Highways & Transportation, Calderdale Council
Lead Promoter Contact:	Mary Farrar, Corporate Lead for Transportation, Calderdale Council
Applicable Funding Stream:	West Yorkshire Plus Transport Fund (WY+TF)
Growth Fund Priority Area (if applicable):	Priority 4, Infrastructure for Growth
Forecasted Full Approval Date (Decision Point 5):	March 2021
Forecasted Completion Date:	2022
Total Scheme Cost (£):	£22.04m
WYCA Funding (£):	Up to £20m
Total other public sector investment (£):	£0.05m
Total other private sector investment (£):	N/A
Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	An allocation was made within the WY+TF of £20m for Calder Valley Line improvements. This is a proposed replacement for that scheme.

Current Assurance Process Activity:



Scheme Description:

A package of measures to improve connectivity to/from Elland via the local rail network, comprising:

- A new railway station on the Calder Valley line, to be located off Lowfields Way, Elland;
- Pedestrian, cycle and public realm improvements to link the new station to Elland town centre and surrounding areas of planned employment and housing growth;
- A new footbridge over the River Calder (connecting with Cycle Route 66) to enhance connectivity to the station from the north/west where substantial growth in housing under the Local Plan is proposed and opportunities for intensification of current employment uses are anticipated;
- Bus infrastructure to enable bus-rail interchange at the rail station and provide sustainable access to the station from a wider catchment; and
- A dedicated station car park and associated highway access arrangements to enable the station to serve as a P&R facility, linking more distant housing growth locations on the periphery of the town to employment opportunities accessible via the rail network.

A plan of the scheme, showing the proposed location of the station and the indicative extent of its associated access package, is in included in the Expression of Interest..

Business Case Summary:

Strategic Case	The Calder Valley Line's Strategic Economic Case for Investment evidences its role in supporting growth of the regional economy. A compelling case for improvements to journey times/frequencies has already resulted in agreement from Network Rail to expand the scope of rail outputs planned for the route. Northern is also set to make improvements to services and rolling stock, further contributing to WY+TF objectives. Despite these positive developments, a lack of access to the rail network from Elland prevents this key growth location in Calderdale's Local Plan from capitalising on these improved strategic connections, whilst the Elland Transport Needs Assessment suggests absence of a station is holding the town back from achieving its economic potential. Improving access to the Calder Valley line from Elland will enhance links to economic opportunities available in Halifax, Bradford and Leeds (and externally to/from Manchester), all of which are identified as spatial priority areas in the SEP. Delivery of a new rail station would also have a positive impact on land values (as evidenced by Kirkstall Forge), increasing viability of nearby housing sites and the competitiveness of Elland itself as an economic centre; intensifying use of underperforming employment sites and attracting higher value jobs as a consequence of improved connectivity to skills/markets that will be afforded. This will help to attract new inward investment and close the productivity gap that exists with other areas, in line with the 'good growth' principles of the SEP.

Commercial Case	Initial views canvassed from the local business community have demonstrated a Commercial Case for the scheme; a number of local firms having indicated how the station will render inward investment more viable. In order to ensure realisation of these outcomes, CMBC is organising a stakeholder engagement event in June with key investors/businesses to develop a Statement of Intent that reflects the appetite and constraints to inward investment within the private sector, thereby ensuring outputs are tailored to facilitating these goals. Should any contributions from private sector developers looking to benefit from the scheme be identified as being justified and viable, these will be secured through appropriate planning approvals to reduce project costs to WYCA. Given the highly positive revenue impact forecast from delivery, opportunities for sharing some elements of risk with the train operator will be explored. The approach to procurement will be explored at OBC stage, working collaboratively with Network Rail to capitalise on any efficiency that may exist from delivery alongside parallel programmes.
Economic Case	Initial work undertaken as part of the Project Inception Report identified a very high value for money from the scheme, justifying completion of a further, more detailed assessment to inform the outline business case. UDM testing has indicated the scheme's ability to achieve a net increase of 1,500 jobs across West Yorkshire, with 640 additional residents predicted to be in employment. The great majority of this jobs growth is as a result of the intensification of employment activity on currently underutilised employment sites within walking distance of the station, contributing to a £98.2m increase in GVA output (in 2009 prices). Sensitivity testing has shown if only half of this growth were to be realised, a GVA/£ ratio of 2.9 would still be achievable.
Financial Case	The total cost of the scheme is estimated to be £22.04m. Initial capital costs have been compiled as part the Project Inception Report, with costs for development and risk benchmarked against comparable new station schemes in West Yorkshire. Funding required to get to the end of Activity 5 (FBC) is estimated at £3.13m, which includes £0.9m up to the end of Activity 4 (OBC), when the remainder of the Financial Case will be confirmed. A local contribution of £0.05m from the scheme promoter has been committed. Scope for further local contributions will be explored as part of OBC development.
Management Case	Completion of GRIP 1-4 is planned prior to OBC submission in December 2018. GRIP 5 would then follow to enable FBC by December 2020. An opportunity exists to start delivery of the scheme from 2021 onwards, with opening early 2022 once temporary diversion of TPE services during the Transpennine Upgrade ceases. Any delays to the Transpennine Upgrade could impact negatively on the programme for delivery. Development of the station itself would be led by WYCA, requiring project management resources to be provided. The wider access package and regeneration aspects would be led by CMBC, with both components being overseen by a common Project Board.

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Section A: Scheme Summary

Name of Scheme:	**Flood Alleviation Programme**
PMO Scheme Code:	GD-PA4-020
Lead Organisation:	Environment Agency
Senior Responsible Officer:	Adrian Gill
Lead Promoter Contact:	Mark Wilkinson

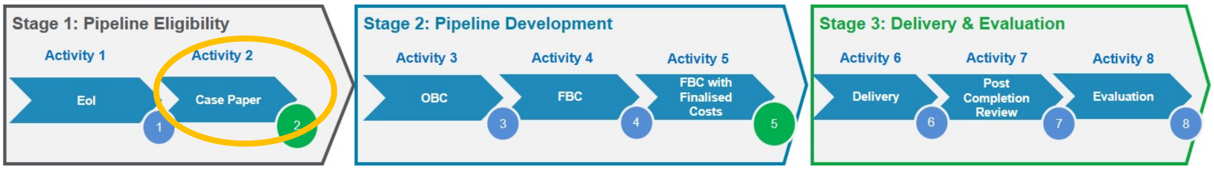
Applicable Funding Stream:	Growth Deal 3
Growth Fund Priority Area (if applicable):	Priority 4 Infrastructure for Growth and Priority 3 – Clean Energy & Environmental Resilience

Forecasted Full Approval Date (Decision Point 5):	September 2017 onwards
Forecasted Completion Date:	March 2021

Total Scheme Cost (£):	£77,000,000
WYCA Funding (£):	£20,000,000 (including £7.8m approved and released for Phase 1)
Total other public sector investment (£):	£56,800,000
Total other private sector investment (£):	£200,000

Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	Phase 1 of the programme approved and £7.8m released March 2017
Current Funding Allocation:	£20m allocation within the Growth Deal 3 allocation.

Current Assurance Process Activity: 2



Scheme Description:

The risks to 63,000 homes, 31,000 businesses and critical infrastructure sites from flooding have been clearly illustrated by repeated flooding episodes in the last decade, including the devastating floods of December 2015 that hit the City Region. The SEP identifies a headline initiative to develop an "integrated flood risk reduction programme" to address the urgent need for greater resilience against flooding to protect and retain businesses and employment, and to maintain the transport network. Local Growth Fund Investment will accelerate, enhance and unlock joint schemes planned for delivery by the Environment Agency, local authorities and other partners, contributing to and matching other funding sources already identified and secured.

An indicative programme has been developed, of flood risk management projects that will improve the resilience of businesses in the parts of the Leeds City Region which are both currently affected by high flood risk where jobs and businesses could be lost as a result of recent flood events and the likelihood of recurrence; and those where planned future development could be slowed or constrained by flood risk. In addition, they will mitigate the risk of disruption or loss of access to these areas which would affect current and potential business viability.

Investing in resilience against flooding and ensuring the resilience of the transport network will safeguard existing jobs and businesses, especially in the strategically important manufacturing sector – as well as enabling further growth in jobs and housing by reducing the constraints posed by flood risk and transport network resilience.

Flood risk management projects in the indicative programme are:

- Calderdale: Mytholmroyd, Brighouse & Clifton
- Leeds: Wyke Beck Valley/Aire Valley Enterprise Zone, Kirkstall Road
- Bradford: Canal Road corridor
- Wakefield: Castleford
- Kirklees: Leeds Road corridor
- North Yorkshire: Skipton
- Natural Flood Management Projects

The Mytholmroyd, Skipton and Leeds Kirkstall Road schemes formed Phase 1 of the Flood Alleviation Programme and received £7.8m Growth Deal funding in March 2017.

The LCR Flood Alleviation Programme will deliver:

- Flood defence walls
- Upstream flood storage reservoirs
- Channel realignment/remaindering
- Pump drainage
- Weirs

Natural Flood Management measures will also be implemented:

- Trees planted
- Wooded debris dams/leaky dams
- Soak aways
- Peat restoration

Outputs generated will include:

- Fluvial flood resilience interventions
- Improved highways assets to reduce surface water flood risk
- **Existing jobs and businesses safeguarded**
- Fluvial flood risk reduction schemes
- **Employment/ development land with reduced flood risk**
- Improved surface water drainage
- Upland catchment area improved to assist in reducing flow into rivers.

Beneficiaries of the proposed schemes are wide ranging. Businesses and residents will regain insurance and property values due to the schemes. Existing businesses will see their flood risk protection improved and a better chance of securing flood insurance into the future which in turn will enable them to be more resilient and recover quickly, as well as support any growth aspirations. They will also provide new and existing businesses the opportunity to grow and create new jobs. The projects will provide properties currently at risk of flooding with improved protection from future flooding events.

Business Case Summary:	
Strategic Case	The projects in the programme will directly contribute towards two of the LEP's headline initiatives: Priority 3 – Clean Energy & Environmental Resilience through Initiative 7 – Make climate adaptation and high quality green infrastructure integral to improve the city region economy and its spatial priority areas. The FFRS in the programme will: • create areas of high quality Green Infrastructure; • Increase tree coverage which will provide carbon sequestration benefits and contribute towards fighting climate change. Priority 4 - Infrastructure for Growth through Initiative 10 - Develop an integrated flood risk reduction programme, incorporating flood defences, green infrastructure and resilient development.
Commercial Case	The projects resulting from the programme will provide resilience and confidence in future economic expansion. The projects will be procured through the Water and Environment Management framework as used for the Phase 1 flood alleviation projects.

Economic Case	The flood risk reduction schemes (FRRS) in the indicative programme will: • reduce the risk of fluvial and surface water flooding to existing homes and business and safeguard jobs; • enable land currently at risk from flooding to be unlocked for development to provide capacity for new commercial floor space and housing expansion; • act as a catalyst for wider development of the areas, facilitating delivery of new houses, highway improvements and creation of jobs. The programme will deliver the below economic outputs that have been calculated by the local authority partners from a variety of sources - business demand analysis, Regional Econometric Model forecasts, existing and developing Local and Economic Development Plans and the Employment Densities Guide (2010). **SEP Headline Indicator** / **Direct** / **Indirect** Jobs created / Safe Guarded: 11,100 / 45,160 Businesses created /assisted: 1260 / 321 Furthermore, the schemes will also contribute towards Priority 1: Growing Business as reducing flood risk throughout LCR will support the growth of businesses by reducing uncertainty and encouraging further investment in the area.
Financial Case	The projects in the indicative programme will be funded by a number of confirmed match funding sources , including: • Flood Defence Grant in Aid • The Yorkshire Regional Flood and Coastal • The Defra Growth Fund • Local Authority contributions • Yorkshire Water contributions • Calderdale Booster Fund • Recovery funding The WYCA funding profile cost profile reflects delivery from 2017 to 2021 and is as follows:

SEP Headline Indicator	Direct	Indirect
Jobs created / Safe Guarded	11,100	45,160
Businesses created /assisted	1260	321

	16/17	17/18	18/19	19/20	TOTAL
Mytholmroyd (Phase 1)	£2.5				
Skipton (Phase 1)	£1.5				
Leeds Kirkstall Road (Phase 1)	£3.8				
LCR Natural Flood Management		£1.7			
Wyke Beck & Aire Valley		£2.6			
Bradford Canal Road Corridor			£2.3		

Kirklees Leeds Road corridor			£1.2		
Brighouse & Clifton				£3.4	
Castleford				£2.7	
TOTAL LGF (£m)	**£7.8**	**£4.3**	**£3.5**	**£6.1**	**£21.7***

* The package of projects have been over programmed by £1.7m. The projects will be subject to ongoing cost review and challenge throughout the contract negotiations with the expectation that efficiencies will be achieved. The risk of any shortfall in funding will be addressed through other available funding options.

Management Case

Each project will be overseen by a Project Board comprising as a minimum:

- Project Sponsor
- Project Manager
- Senior User / Asset Maintainer
- Senior Supplier

The Project Manager will be responsible for the day-to-day delivery of the project within tolerances defined by the Project Board. Approval must be given prior to the tolerances being exceeded.

Reporting on progress against programme and budget is required monthly from all suppliers. This information is then summarised by the Project Manager into a highlight report and fed into the Environment Agency through the Project Board. The highlight also identifies changes, key project risks and issues. Where changes are likely to exceed the approved tolerances the Project Manager is required to obtain Project Board approval before these can be authorised.

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Scheme Summary

Name of Scheme:	**Corridor Improvement Programme (Phase 1)**
PMO Scheme Code:	WYTF-PA4-038
Lead Organisation:	West Yorkshire Combined Authority (Programme Lead) West Yorkshire District Councils (Projects lead)
Senior Responsible Officer:	Melanie Corcoran, Director of Delivery, WYCA
Lead Promoter Contact:	Rachel Jones, WYCA Programme Manager

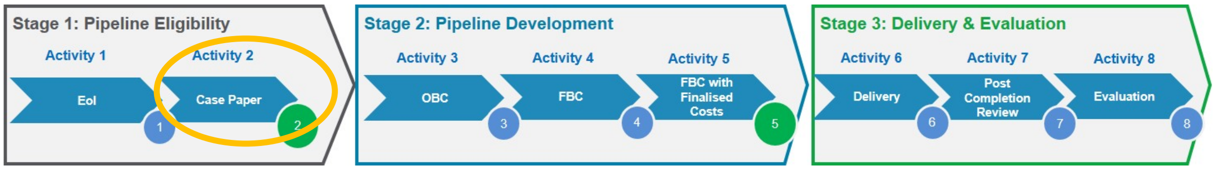
Applicable Funding Stream:	WY+TF
Growth Fund Priority Area (if applicable):	Priority 4: Infrastructure for Growth

Forecasted Full Approval Date (Decision Point 5):	N/A for the Programme. Each Phase 1 scheme to be brought forward individually.
Forecasted Completion Date:	Programme Completion 2025

Total Scheme Cost (£):	£130.313m
WYCA Funding (£):	£125.000m
Total other public sector investment (£):	£4.000m
Total other private sector investment (£):	£1.313m

Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	N/A
Current Funding Allocation:	WY+TF allocation of £125m

Current Assurance Process Activity:



Scheme Description:

The Corridor Improvement Programme (CIP) is a programme of low and medium cost highway interventions on strategic highway corridors on the Key Route Network (KRN). CIP aims to deliver benefits for all road users with an emphasis on reducing journey times, in order to improve connectivity and accessibility to economic growth sites including those located in spatial priority areas.

The Headline objective for the CIP programme is:

"To reduce congestion on priority highway corridors/junctions on the West Yorkshire Key Route Network, such as A61, A62, and A647, by 2025, which is constraining growth associated with new housing and employment sites in the Spatial Priority Areas"

In order to achieve this objective the programme aims to deliver the following target outcomes:

- 8% reduction in journey times (all traffic);
- 12% reduction in journey times for buses; and
- 7% increase in bus frequency.

The CIP Programme is split into 3 distinct delivery phases as follows:

- Phase 1: package of 13 projects across all districts to largely deliver junction improvements at key locations by 2021;
- Phase 2 – package of feasibility work to consider wider corridor interventions and strategy development in order to identify further measures to build on the benefits achieved through Phase 1; and
- Phase 3 – development and delivery of the strategy and interventions identified by feasibility work in Phase 2 and to be delivered from 2021to 2025. This would encompass work with Bus Operators to secure changes in bus operations resulting from more efficient/faster traffic flows on priority highways corridors.

While Phase 1 has been defined in some detail, Phases 2 and 3 of the programme are yet to be defined.

The CIP programme has replaced what was originally known as the Highways Efficiency and Bus Package (HEBP) in the original WY+TF portfolio. It is also interdependent with another scheme in the original WY+TF portfolio called Highways Network Efficiency Programme (HNEP), which is currently at Activity 4 and is focussed on a proposal to develop a centralised Urban Traffic Management Control (UTMC) centre.

The total cost of delivering the CIP programme is £130.313m and £125m of this is requested through the WY+TF in line with the indicative allocation that has been made. The remainder of the funding is to be provided through a combination £4m of additional public sector funding (through the Leeds Public Transport Investment Programme) and £1.313m through Section 106 sources (however not all of these Section 106 monies are yet secured).

The programme costs are currently split as follows:

- Phase 1 - £67.754m (headline cost plan defined);

- Phase 2 - £1.550m (not yet allocated); and
- Phase 3 - £61.009m (not yet allocated).

It is anticipated that other sources of funding will be secured, in addition to those already identified, through the delivery of some projects within the programme. This includes Section 106 contributions, and other public and private contributions, and Government led initiatives.

The work undertaken to date has suggested that the programme could deliver up to 1,300 jobs and 650 housing units. Phase 1 of the programme is forecast to deliver the following:

- 834 additional jobs;
- Increase in GVA of +£77m pa;
- 436 additional WY residents in employment; and
- 78 housing units completed.

The 13 Phase 1 schemes will be brought forward separately through the assurance process as they are developed.

Business Case Summary:	
Strategic Case	Three distinct phases of the CIP programme have been proposed but only Phase 1 of the programme has been defined in some detail. The Programme's headline objective is to reduce congestion at priority locations on the key route network by 2025, in order to support housing and employment growth. It is intended that the programme will contribute to SEP strategic priority 4 and headline indicator 9. The target programme outcomes are to significantly reduce journey times (by 8% for general traffic and 12% for buses) and to result in a 7% increase in bus frequency.
Commercial Case	The programme is needed in order to reduce congestion on the Key Route Network at locations where this is currently constraining growth. The interventions proposed are expected to benefit all road users to some degree. The programme would assist in unlocking investment in a number of housing and employment sites and is expected to complement other corridor schemes within the WY+TF programme.
Economic Case	CIP is expected to contribute positively to SEP headline indicator 9. The impacts of the programme have been tested through the UDM which shows that CIP would contribute (indirectly) to the creation of/safeguarding of 1,300 jobs and the completion of approximately 650 new housing units. Phase 1 of the programme has been tested through the UDM and is forecast to create 834 additional jobs, a +£77m annual increase in GVA and 78 new housing units
Financial Case	A funding profile for the programme has been provided and is set out in detail for Phase 1 (up to 2020/21). Phases 2 and 3 of the programme only have outline costs allocated at present and as such there is only a notional funding split for 2021/22 to 2024/25. There is potential to attract a small amount of private sector funding but the final amount to be secured is not yet clear.

Management Case	Programme management arrangements are in place and a Programme board has been established. An initial Cost Plan, high level programme and outline Risk Register exist, but a Programme Execution Plan and benefits Register still need to be established.

Scheme Summary

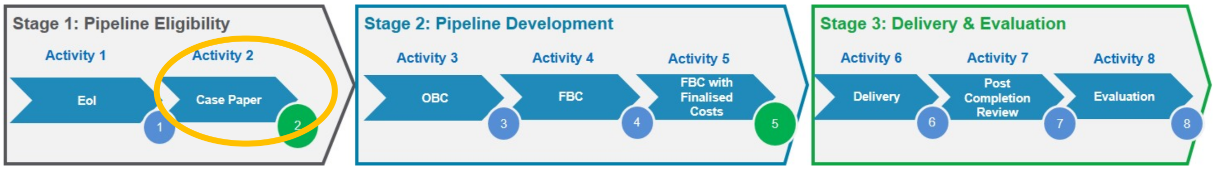
Name of Scheme:	**Strategic Inward Investment Fund**
PMO Scheme Code:	GD-PA1-009
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	David Shepherd
Lead Promoter Contact:	Sam Lewis

Applicable Funding Stream:	Growth Deal
Growth Fund Priority Area (if applicable):	Priority 1 Growing Business

Forecasted Full Approval Date (Decision Point 5):	21 July 2017
Forecasted Completion Date:	31 March 2021

Total Scheme Cost (£):	£12.45m + match funding
WYCA Funding (£):	£12.45m
Total other public sector investment (£):	None
Total other private sector investment (£):	£104.81m (match funding)

Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	N/A
Current Funding Allocation:	£13.45m of Growth Deal 3 funding, of which £12.45m will be allocated towards the Strategic Inward Investment Fund.

Current Assurance Process Activity:


Scheme Description:
This is a scheme to support inward investing businesses to locate in Leeds City Region. The scheme was outlined in the Leeds City Region submission to Growth Deal 3 and £12.45m of funding was allocated towards the Strategic Inward Investment Fund. A scheme will be designed subject to the applicable State Aid regulations which will enable the region to compete against UK and international locations to win 'mobile' projects from eligible inward investor businesses. Applicants will be required to complete full business case applications demonstrating strong claims for additionality and the incentive effect. Specialist advice has been obtained on the State Aid Regulations that will be used in order to establish the scope of the offer to businesses. The scheme is specifically intended to support larger companies with projects which will make a substantial impact in terms of job creation and wider economic outputs. For this reason we expect applications to be for funding support larger than £0.25m and, in the main, lower than £1m. However, there will be no upper limit on the size of applications. This will directly complement the Business Growth Programme which provides grants of up to £0.25m. The scheme will run until 2021 and we will support the creation of over 600 net new jobs to the Leeds City Region, supporting 15 strategic inward investing businesses in the City Region's priority sectors.

Business Case Summary:	
Strategic Case	The project addresses Priority 1 of the SEP through supporting new investment into the region in priority sectors that will boost business growth and productivity, and is likely to support export growth as international companies are more likely to export goods or services or to have international networks.
Commercial Case	Leeds City Region is competing both nationally and internationally to win new investment from businesses either expanding or relocating mobile operations. Increasingly we have found that the region is unable to compete against regions with greater devolved funding powers including other city regions and the Devolved Administrations of Scotland, Wales and Northern Ireland In these cases the ability of these regions to help to financially de-risk projects by inward investors can be critical in winning the business case for investment There is an opportunity to use the money allocated under Growth Deal 3 as a scheme to help win the business case for critical new investment projects in priority sectors (to be introduced to strategic inward investors where a funding or business case gap exists).

Economic Case	• Successful inward investment projects - 15 • New jobs created - 600 • Take up of office or industrial space – 50,000 sq ft • Match funding of at least £104,809,500 (assuming private sector leverage of 9:1)
Financial Case	The majority of funding will be used for grants with only £0.155m retained to support the costs of specialist or legal advice on individual application forms.
Management Case	We have a pipeline of c.90 projects of which around 16 are likely to create over 100 new jobs. This is the profile of investment we are seeking and almost all of these current projects are likely to meet the selection criteria for the fund. We receive new investment enquiries on a regular basis and this fund will significantly transform the competitiveness of our region in seeking to secure these projects. Our team has a staff of 9 who deal directly with investors on a daily basis and are well positioned to hold discussions of this nature and to drive take-up of the grant scheme. We will utilise external resource where there is a necessity for specialist advice – this will either be drawn from the scheme funding or will be procured by the applicant business. We will also seek external legal advice on State Aid on a case-by-case basis as relevant. Application forms are currently in the process of being designed and will in many ways match those of the current Business Growth Programme. The appraisal and approval process will also broadly match those of the Business Growth Programme, minimising the need to convene additional panels, groups or develop additional expertise. There will be no active marketing for this scheme as the purpose is to support selective inward investment enquiries, which will already be live contacts for the inward investment team. Meeting the selection criteria will depend upon the criticality of the grant support – i.e. the incentive effect and the additionality argument. We will be seeking to support high value and high job projects. We expect to be operational from July and have allocated internal resource to ensure that the necessary work can be undertaken to this timescale.

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Scheme Summary

Name of Scheme:	**Digital Sector Soft Landing Scheme**
PMO Scheme Code:	GD-PA1-008
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	David Shepherd
Lead Promoter Contact:	Sam Lewis

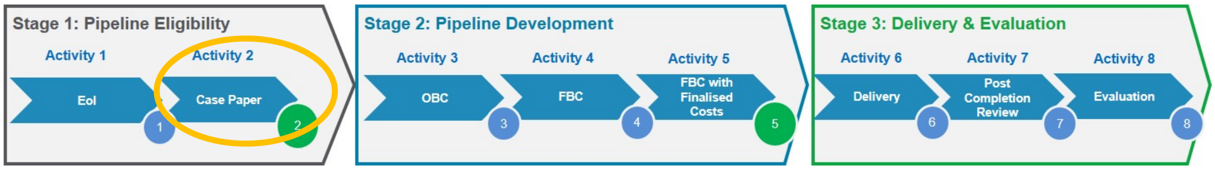
Applicable Funding Stream:	Growth Deal
Growth Fund Priority Area (if applicable):	Priority 1 Growing Business

Forecasted Full Approval Date (Decision Point 5):	21 July 2017
Forecasted Completion Date:	31 March 2021

Total Scheme Cost (£):	£1.00m + match funding
WYCA Funding (£):	£1.00m
Total other public sector investment (£):	None
Total other private sector investment (£):	Circa £0.9m (match funding)

Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	N/A
Current Funding Allocation:	£13.45m of Growth Deal 3 funding, of which £1m will be allocated towards the Digital Sector Soft Landing Scheme.

Current Assurance Process Activity:



Scheme Description:

This is a scheme to support digital technology inward investing businesses to locate in Leeds City Region (Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield, York). The scheme was outlined in the Leeds City Region submission to Growth Deal 3 and £13.45m of funding was allocated, of which £1m will be allocated towards the Digital Sector 'Soft Landing' Scheme.

A scheme will be designed subject to the applicable State Aid regulations which will enable the region to attract new activity from investor businesses in the digital and technology sector. This scheme will be designed to de-risk initial investments from these businesses by subsidising office space, contributing towards capital costs and funding other eligible costs. In this case it is proposed that the grants will be de minimis, this allows public sector support up to a maximum of €0.20m over a three year rolling period.

The scheme is specifically intended to support new entrant businesses who will actively contribute to the dynamism and strength of the region's digital technology sector. Awards will be intended to secure initial "foothold" investment, which will develop over time into more substantial growth and presence in the region. We are anticipating small grant applications for funding between £5,000 and £50,000.

The scheme will run until 2021 and we will support the creation of over 170 net new jobs, supporting 30 strategic digital and technology inward investing businesses new to the City Region.

Business Case Summary:	
Strategic Case	The project addresses Priority 1 of the SEP through supporting new investment into the region, in the priority digital sector, that will boost business growth and productivity.
Commercial Case	Leeds City Region is competing both nationally and internationally to win new investment from businesses either expanding or relocating mobile operations. Increasingly we have found that the region is unable to compete against regions with greater devolved funding powers including other city regions and the Devolved Administrations of Scotland, Wales and Northern Ireland. In these cases the ability of these regions to help to financially de-risk projects by inward investors can be critical in winning the business case for investment. There is an opportunity to use the money allocated under Growth Deal 3 as a scheme to help win the business case for critical new investment projects to assist in attracting small digital businesses to relocate to the City Region.

Economic Case	• Successful inward investment projects – 30. • New jobs created – 170. • Match funding of at least £0.9m (assuming private sector leverage of 1:1).
Financial Case	The majority of funding will be used for grants, currently roughly estimated at £900k with the remainder available to support employment of an officer to process and monitor applications and to support WYCA overheads.
Management Case	The project will be managed within the Trade and Inward Investment Team and will be available to be used as a tool for existing officers to attract new business to the region. An officer will be recruited to manage the processing and monitoring of applications for both this scheme and the Strategic Inward Investment Fund. The intention if for the project to commence in July 2017. Whilst some risks have been identified these can be mitigated.

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Scheme Summary

Name of Scheme:	**Business Growth Programme**
PMO Scheme Code:	GD-PA1-006
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	Henry Rigg
Lead Promoter Contact:	Lorna Holroyd

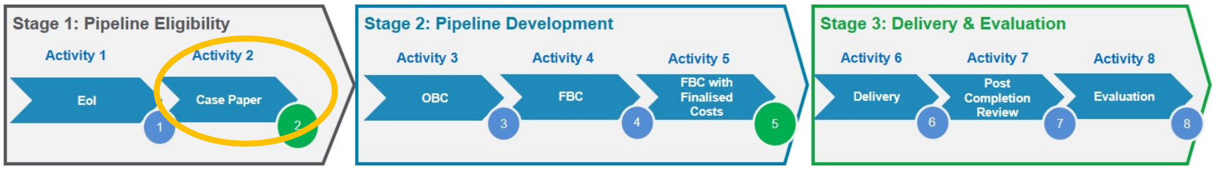
Applicable Funding Stream:	Growth Deal
Growth Fund Priority Area (if applicable):	Priority 1 Growing Business

Forecasted Full Approval Date (Decision Point 5):	21 July 2017
Forecasted Completion Date:	31 March 2021

Total Scheme Cost (£):	£9m + match funding
WYCA Funding (£):	£9m
Total other public sector investment (£):	None
Total other private sector investment (£):	Circa £54m (match funding)

Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	N/A
Current Funding Allocation:	£9m of Growth Deal 3 funding

Current Assurance Process Activity:



Scheme Description:

Covering the Leeds City Region, the Business Growth Programme (BGP) was launched in February 2013 with funding awarded through the Regional Growth Fund (for the original programme which ran from February 2013 to March 2015) and continued with funding from the Local Growth Fund (for the current programme which commenced in April 2015 and is funded until March 2018). The Growth Deal 3 award of £9m will allow continuation of the scheme through to March 2021.

The programme will continue to support businesses operating within the LEP's priority sectors (manufacturing, low carbon & environmental, financial & business services, digital & creative and health & life sciences) to provide grants of between £10,000 and £250,000, where grant support is needed/adds value by filling a funding gap, accelerates an investment, enables an investment to happen on a larger scale or in a particular location. The programme will primarily support SMEs, though large companies may be considered by exception.

Funding will support the expansion, modernisation and diversification of economic activities. Activities supported include the purchase of plant, machinery and equipment, fit out of new premises and alterations and extensions to existing premises. Research and development activity (excluding basic/fundamental research) will be supported where this supports employment and business growth.

Investments must be specifically linked to job creation, or clearly demonstrate the investment is linked to growth (e.g. in the supply chain) or skills development (leading to a recognised qualification). Overall, the programme will lead to productivity improvements and a net increase in the average number of employees in recipient businesses. All employment posts will be maintained for at least 3 years in SMEs and at least 5 years in large businesses. All applicants will be will be expected to provide match funding of at least 80%. The programme aims to provide an overall funding ratio of at least 1:4 (Public to Private).

Applicants will be required to provide a business case and demonstrate the additionality grant support will bring to the project.

Funding will in most cases be awarded through the General Block Exemption Regulations, which allow provision of support at a 20% intervention rate for small businesses or 10% for medium sized businesses (and 10% for large businesses in assisted areas). In some cases (where the business is a large company and the project is not located in an assisted area) funding will be awarded through De Minimis provisions, which allow grant support of up to 200,000 euros in a rolling three year period.

The scheme will run until March 2021 (as funding allows) and will support the creation of over 500 net new jobs to the Leeds City Region, supporting 160 businesses in the City Region's priority sectors and leveraging in £50m of private sector investment.

Business Case Summary:	
Strategic Case	The project addresses Priority 1 of the SEP: Growing Business. It provides a capital grant aimed at assisting businesses to grow and create new jobs.
Commercial Case	There are over 7,000 manufacturing businesses in the City Region the majority of which are SME's. The challenge is to deliver a response that is focused on accelerating this position and unlocking productivity improvements by helping those businesses that are striving to grow to overcome the barriers that they tell us they face. This is often related to under-investment in new technology and equipment, which can restrict access to new markets and supply chains. There is an increasingly wide range of SME finance currently available in Leeds City Region, with products ranging from seedcorn through to crowd funding and on to scale-up venture capital. This scale of provision from the private and public sector recently increased further with the introduction of the £400m Northern Powerhouse Investment Fund (NPIF) in March 2017. Despite the volume and diversity of finance products available here, the LEP Growth Service continues to receive a high volume of enquires from SMEs looking for growth-related finance. Since its launch in July 2015, access to finance has been the most common category of enquires to the Growth Service, with over 2,000 such enquiries up to the end of March 17. This equates to 67% of enquires to the Gateway (telephone, email and webchat), and just over 50% of enquiries to the team of district-based SME Growth Managers (these are collectively account-managing relationships with over 700 SMEs with clear growth ambition). Extensive anecdotal evidence from discussions with businesses, and private sector intermediaries, reveals that many businesses continue to struggle to attract the full investment levels needed to ensure that an expansion project progresses. Furthermore, many private sector funders continue to confirm that the inclusion of public sector capital grant finance can incentivise private finance. This is due to the robust financial due diligence that public sector investment brings, and the subsequent de-risking of the investments which is appealing to all parties.
Economic Case	• Provide grants up to a maximum value of £250,000 to a minimum of 165 businesses by 31 March 2021; • Create 500 jobs within Leeds City Region businesses by 31 March 2024; • Jobs created/safeguarded will be maintained for at least 3 years within small and medium sized enterprises and at least 5 years within large businesses; • Seek to lever in at least £54 million of private sector funding; • Support the Inclusive Growth Agenda, for example by encouraging businesses to recruit apprentices and/or those not in education, employment or training; support Enterprise Education; provide advice on supply chain opportunities to other local SMEs;

	• Support the growth of businesses in the City Region's priority sectors (manufacturing, low carbon & environmental, financial & business services, digital & creative and health & life sciences); • Realise additionality in projects that are provided support – either supporting investment that would not otherwise happen, bringing forward investment so that it is realised sooner, ensuring investment happens on a greater scale, or securing investment in the City Region that could occur elsewhere.
Financial Case	There is a strong stream of applications into the programme, roughly split 1/3 (under £50k applications), 1/3 (between £50k and £100k applications), 1/3 (over £100k applications). Of the current £18m funding allocation from the local growth fund, this has all been allocated to businesses. The new scheme will allow the programme to continue without any disruption to applicant businesses. It is expected that the new scheme will effectively "top-up" the existing scheme, increasing the total grant allocation available to businesses.
Management Case	This is a live programme, with the following already in place: • Project team; • Scheme design, including State Aid routes through which grant support can be given; • Scheme criteria; • Application forms; • Data management processes (through Evolutive); • Funding agreements; • Appraisal officers; • Governance arrangements, including the Appraisal Advisory Group and Investment Panel; • Marketing materials (including a number of video case studies).

Section A: Scheme Summary

Name of Scheme:	**Bradford Forster Square Station Gateway**
PMO Scheme Code:	WYTF – PA4 - 002
Lead Organisation:	City of Bradford Council
Senior Responsible Officer:	Julian Jackson
Lead Promoter Contact:	Tom Jones

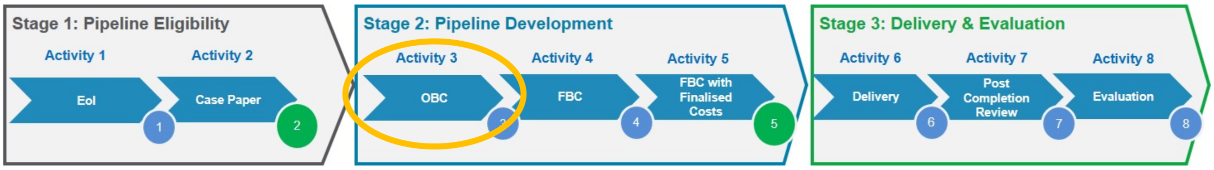
Applicable Funding Stream:	West Yorkshire plus Transport Fund
Growth Fund Priority Area (if applicable):	4, Infrastructure for Growth

Forecasted Full Approval Date (Decision Point 5):	June 2019
Forecasted Completion Date:	March 2021

Total Scheme Cost (£):	£17.311m
WYCA Funding (£):	£17.061m
Total other public sector investment (£):	£250,000 CBMBC
Total other private sector investment (£):	Potentially £50,000 from adjacent developer (to be confirmed)

Is this a standalone Project?	Yes
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	An allocation of £50m has been made for the Station Gateways Package, which this scheme is part of.

Current Assurance Process Activity:



Scheme Description:

The Bradford Forster Square station will see the re-development of the existing station to provide a new, high quality, modern station facility which will significantly enhance the user experience, providing an attractive and welcoming gateway to the City of Bradford.

The proposed scheme will see significantly improved facilities provided at the station with the main station building providing toilets, a dedicated café and a ticket office/information centre which will be equipped with ticket vending machines. Seating will be provided in the main concourse area. The station will also include a separate newsagents located within one of the four pods to be located within the existing station arches. The other three pods will house cycle parking, a mess room for Network Rail and/or Northern staff and a mess/storage room to be provided for the Community Garden and Meadow Area. Cycle parking will also be provided outside the station. Two lifts to School Street will be provided in place of the existing lift/stair core. These lifts will be operational between the first and last train times, which will significantly improve connectivity and reducing severance to School Street, Darley Street and the Markets. It will is promote a significant improvement in inclusive access to the station.

The scheme will also deliver significant public realm improvements both on the forecourt area and at the Lower Kirkgate Entrance, which will also promote enhanced connectivity to Broadway and the city centre. In the forecourt area, facilities for taxi and private vehicle pickup and set-down will be provided while provision for buses will also be made. Access to the existing Centenary Court building will be maintained. However, a second option which sees this access being provided from the Lower Kirkgate Entrance has also been explored.
A total of 75 car parking spaces will be provided in the main car park, including four accessible spaces. The accessible spaces will be located approximately 80m from the station entrance with rest points provided within 50m of the spaces and station entrance. Electric vehicle charging points are also proposed and these will also be accessible to electric taxis.
This Community Garden and Meadow Area, located adjacent to Platform 3, will provide a space to be managed be a community group(s). This will be an area of hardstanding and/or soft landscaping and will be accessible from the main station concourse only.

Business Case Summary:

Strategic Case	Clear project description and objectives. Strategic drivers are described along with a set of issues the scheme aims to address. Socio-economic drivers to be made clearer. Provides a good fit with priorities of the Strategic Economic Plan, in particular priority 4 Infrastructure for Growth.

Commercial Case	Usages of station is forecast to increase by 110% by 2040. Demand to use the station is increasing with Virgin Trains East Coast planning to increase numbers of trains per day serving London from 1to 8. Procurement options have been considered, a detailed procurement strategy will be required as part of Activity 4 (Full Business Case).
Economic Case	From the outline business case submitted, using standard webTAG methodology the BCR is 1.78 with a PVB of £5.33m. Taking into account the wider benefits of the scheme, the adjusted BCR is 6.90 with a PVB of £18.20m. Updates of all of these calculations will be provided in the Full Business Case**.**
Financial Case	Project Outturn costs £17.311m. Net increase to operational costs to be covered by station operator/highway authorities existing maintenance budgets. Other funding sources confirmed as CBMBC and potential contribution from an adjacent developer. Comprehensive risk register with cost impact score included in the submission.
Management Case	Recognition of key issues (potential) barriers that need to be addressed prior to delivery. Project Governance in place. Project delivery team – needs to evolve as necessary to suit the project requirements. Detailed work programme/Gantt chart provided identifying delivery completion by March 2021. Detailed risk register including mitigation measures provided. QRA, M&E plans to be developed.

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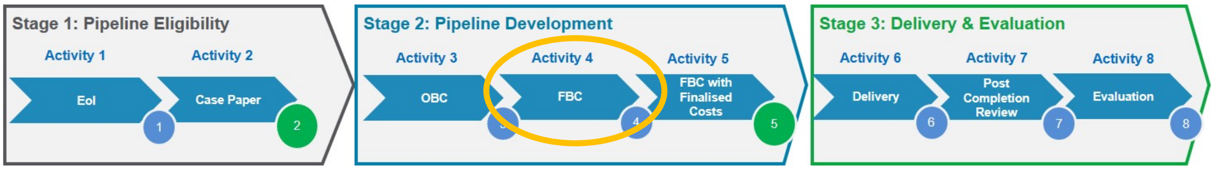
Section A: Scheme Summary

Name of Scheme:	**Gateway 45**
PMO Scheme Code:	[redacted] Redacted
Lead Organisation:	Revolving Investment Fund (General Partner)
Senior Responsible Officer:	Ian Ball, Aire Valley Land
Lead Promoter Contact:	Iain Thomson, Aire Valley Land
Applicable Funding Stream:	LEP Loan Fund (Growing Places Fund)
Growth Fund Priority Area (if applicable):	Leeds Enterprise Zone
Forecasted Full Approval Date (Decision Point 5):	WYCA 29th June 2017
Forecasted Completion Date:	Spring 2018
Total Scheme Cost (£):	[redacted] Redacted due to commercial confidentiality
WYCA Funding (£):	£3.3m
Total other public sector investment (£):	£3.3m (RIF)
Total other private sector investment (£):	[redacted]
Is this a standalone Project?	No – there is already a LEP loan on this site
Is this a Programme?	No
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	Gateway 45 is part of the Temple Green site, this has progressed with the support of a LEP Loan of £4m (£1m of which has already been repaid)

Current Assurance Process Activity:



Scheme Description:
Aire Valley Land LLP owns 166 acres of freehold logistics development land at Temple Green, Leeds which is known as Gateway 45 Leeds – the region's largest live commercial development. Gateway 45 is strategically located on J45 of the M1 and is a restored surface mine and waste water treatment site which has historically required material remediation. Over the course of 2015 and 2016, significant infrastructure has been constructed on the site to allow plots to be brought forward for development. This work has already been supported through a LEP loan of £4m, some of which has been repaid. In order to pump prime the site and to accelerate occupation, Aire Valley Land LLP is proposing to set up a wholly owned subsidiary company to build 2 industrial units of 52,500 sq ft and 105,000 sq ft on 12 acres of land to act as a clear signal of the scheme's ability to deliver modern industrial accommodation in a timely manner. These two units will be speculatively constructed on land at the heart of the site. The aim of the project is to initiate the sites commercial construction phase, so pump priming the development as a physical advert that the site as 'open for business' to inward investors. It is hoped that the development would act as a catalyst for the wider development of the site. A further loan would accelerate development of the site during the spring and summer of 2017, showcasing units of a size appealing to a range of businesses visible from both the M1 and A63 into Leeds. This is expected to lead to increased levels of interest for the plots fronting onto the A63.

Business Case Summary:	
Strategic Case	There is a strong strategic fit as the proposed units are on part of the Leeds Enterprise Zone and are very visible from the motorway.
Commercial Case	The company has strong and experienced parent companies
Economic Case	Jobs will be created and the development has potential to generate £66m for the city region economy.
Financial Case	Business rates generated by the project will return to the LEP in due course. The loan will be jointly made with the Revolving Investment Fund.
Management Case	The bulk of the remediation and access works have now been undertaken, so de-risking the site

Scheme Summary

Name of Scheme:	**LEP/GPF Loan to FP Processing Limited**
PMO Scheme Code:	[redacted] Redacted
Lead Organisation:	WYCA/ The LEP
Senior Responsible Officer:	Graham Morley – Fresh Pastures
Lead Promoter Contact:	Graham Morley

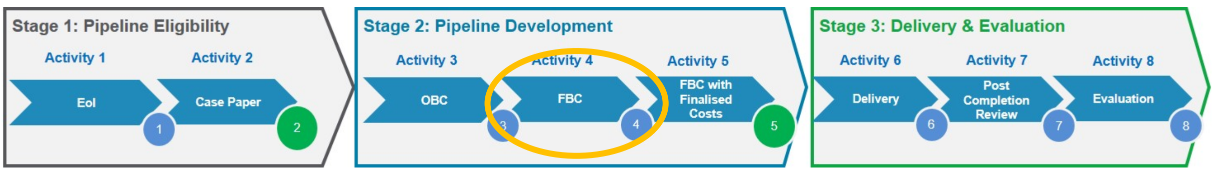
Applicable Funding Stream:	LEP Growing Places Loan Fund
Growth Fund Priority Area (if applicable):	N/A

Forecasted Full Approval Date (Decision Point 5):	WYCA 29 June 2017
Forecasted Completion Date:	October 2017

Total Scheme Cost (£):	[redacted] Redacted due to commercial confidentiality
WYCA Funding (£):	£800k
Total other public sector investment (£):	£690K LEP business growth grant awarded November 2015 for an earlier phase of the project
Total other private sector investment (£):	[redacted]

Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	None

Current Assurance Process Activity:



Scheme Description:

Fresh Pastures (FP) is a small milk processing company, run as a social enterprise, specialising in the supply of milk in 1/3rd pint cartons to the school market. FP is currently seeking a loan of £800k from the LEP Growing Places Loan Fund. The purpose of the loan is to fit out its new facility in Normanton to the required standard for food grade manufacture. Completing the facility will consolidate manufacture and storage from three sites to one and allow expansion of production. The loan will enable this to be completed in the 'shutdown' created by the school summer holidays. The loan will enable a facility completed to building standards with the help of private finance to receive the specialist fit out needed for a food processing plant so that growth of production and jobs is accelerated.

The new facility will bring both efficiencies and scope for expansion and includes plans for new products.

The loan application follows the award of a Business Growth Grant in late 2015 of £690K. The loan will consolidate the original investment and support further business growth and the creation of both jobs and apprenticeships.

Business Case Summary:	
Strategic Case	The project enables continued job creation in a locally grown business with a commendable ethos and that is well integrated with regional suppliers and customers. Excellent fit with the aspirations of the strategic aspirations of the city region in area still adapting to the loss of traditional industry.
Commercial Case	The Company is an innovator with a successful history of growth achieved in accordance with its social enterprise values. The availability of the facility for September will equip the company to reopen to supply the schools milk market with more efficiency and with economic savings that can be reinvested.
Economic Case	Jobs and apprenticeships will be created and the facility has potential to generate over £20m of economic gains over 10 years for the city region economy.
Financial Case	The loan will lever in private sector investment from various sources. The loan will be repaid over 5 years with interest. The financial potential of the business to generate future returns is recognised by its private financial funders.
Management Case	The Company have harnessed the professional knowledge of broad team of specialists and have the ability to deliver the project appropriately. The design and vision for the completed facility is very clear and thoroughly researched.

Section A: Scheme Summary

Name of Scheme:	**Tackling Fuel Poverty Programme – Phase 4**
PMO Scheme Code:	GD-PA3-008
Lead Organisation:	Full Business Case with finalised costs (Activity 5)
Senior Responsible Officer:	Colin Blackburn
Lead Promoter Contact:	Vicky Dumbrell

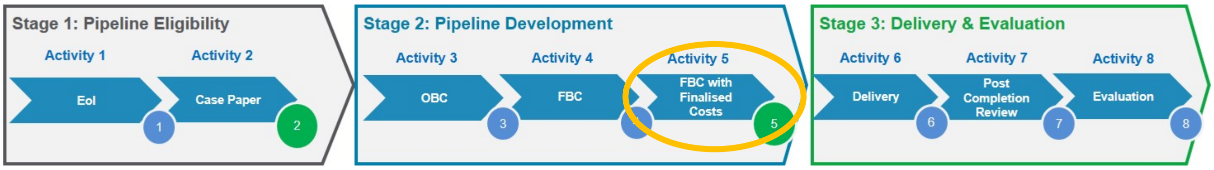
Applicable Funding Stream:	Local Growth Fund
Growth Fund Priority Area (if applicable):	Priority Area 3

Forecasted Full Approval Date (Decision Point 5):	29 April 2017
Forecasted Completion Date:	September 2018

Total Scheme Cost (£):	£1,573,800
WYCA Funding (£):	£1,007,800 (of which £500,000 to Kirklees; £507,800 to Calderdale)
Total other public sector investment (£):	£504,000 (from Kirklees Council)
Total other private sector investment (£):	£62,000 from householder contributions

Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	Yes it is part of the established TFPP Programme.
Current Funding Allocation:	The total scheme costs of £6m have been allocated to all 4 phases of the programme from Local Growth Fund.

Current Assurance Process Activity:



Scheme Description:

The Tackling Fuel Poverty Programme was approved in June 2016 by the West Yorkshire Combined Authority; projects within Phases 1-3 have been submitted to subsequent meetings of the Combined Authority, and received approval. Wakefield Council joined the Better Homes programme post the original Full Business Case, and subsequent meetings of the Investment Committee (Nov ’16) noted that the scale of the programme was likely increase to £6m, to accommodate Wakefield. Kirklees and Calderdale Council are now ready to submit projects under Phase 4. This will fulfil a key political aim of delivering a project in every district, and will take the overall LGF investment to £6m.

The purpose of the Programme is to address fuel poverty amongst some of the most vulnerable households in the Leeds City Region through a capital programme of energy efficiency improvements, including existing solid wall, and hard to treat housing stock across all tenures.

The Programme and Projects offer grants to householders in fuel poverty, to meet the costs of energy efficiency measures. Grants are required because projects are targeting some of the most vulnerable households, in some of the most deprived wards, in the City Region. Although the occupier will benefit from the improved thermal efficiency, these households are unable to make a significant contribution to the cost of energy efficiency measures and are often under-heating their home due to the high cost of achieving adequate heating. In addition there are currently no alternative sources of grant support to drive this agenda.

Projects are developed by districts, in order to ensure local strategic priorities in regard to tackling fuel poverty are met. All property tenures (social, privately owned, privately rented) are eligible for inclusion within the Programme, in order to ensure local needs are met. A sliding scale of contributions will be applied, depending on tenure, in order to stretch the Growth funding sought.

Phase 4 projects will deliver measures to tackle fuel poverty, by improving the energy efficiency of the fabric of the property, in order to reduce demand for heat. The properties are ‘Hard to Treat’, which means they are not technically suitable for standard cavity wall or loft insulation.

The project will deliver Hard to Treat Cavity Wall Insulation (HTT CWI) to properties within a defined area of Kirklees (Deighton, Huddersfield), and attic room insulation to properties across Calderdale. All investment will be targeted to fuel poor households.

The Kirklees project is a mixed tenure scheme, in partnership with Kirklees Neighbourhood Housing and Kirklees Building Services, delivered through the Better Homes Programme. 221 social, and 70 private sector housing (former right to buy) properties will benefit. This project is part of a wider KNH investment programme to upgrade the thermal efficiency of 750 ‘hard to treat’ council owned properties in the Deighton/Brackenhall area of Huddersfield.

The project in Calderdale will deliver attic room insulation to 115 hard to treat properties in some of the most deprived areas of the district. This project will target privately owned and rented properties and is part of the Council’s £1.4m Affordable Warmth programme which is also providing heating, insulation and energy advice and support for lower income households.

Business Case Summary:	
Strategic Case	This project sustains 17 jobs for 12 months and treats 406 fuel inefficient homes in areas of high deprivation. The project will make progress on fuel poverty and thermal comfort of homes for people with vulnerability and reduced life chances. The project will deliver interventions aligned to SEP Priority 3 Clean Energy and Environmental Resilience.
Commercial Case	The project will target fuel poor households with a sliding scale of contributions required, depending on need. The areas have been identified following desk top assessment, and more intrusive survey work, to ensure they are suitable for the target properties. Deprivation index data in the target communities confirms the poverty 'demand' for this intervention is present in the targeted property types. Benefits will be realised until 2042 when the useful life of the treatments end.
Economic Case	Research suggests £3 of economy benefit per £1 invested by public sector in energy efficiency of homes. The total project cost of £1.5m delivers a total of £2.3m of financial savings and 10,561 tonnes of carbon saving throughout useful life of the interventions.
Financial Case	This project uses Local Growth Fund Grant, £0.5m from Kirklees Council and a £62k householder contribution. Energy Company Obligation (ECO) funding which will be applied for and if it is secured will be reinvested to get more homes insulated. If it were recovered at 5% an additional 20 homes could be treated.
Management Case	The projects will be delivered through the Better Homes Yorkshire programme and contracts. This partnership is well established and experienced in delivery of energy efficiency schemes. Supply chain partners delivering the measures are both local and have considerable experience of similar schemes.

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Scheme Summary

Name of Scheme:	**Global Shared Services Centre**
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:	As above
Lead Promoter Contact:	As above

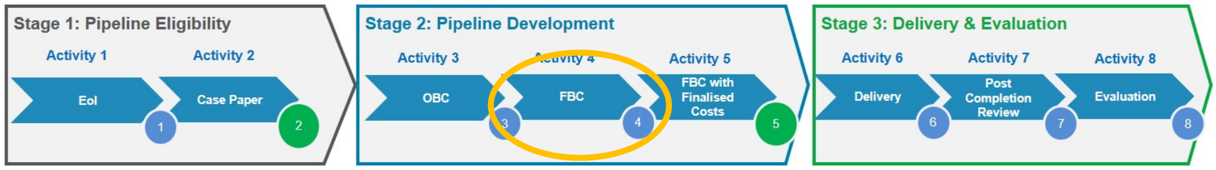
Applicable Funding Stream:	GD3 Strategic Inward Investment Fund
Growth Fund Priority Area (if applicable):	Priority 1

Forecasted Full Approval Date (Decision Point 5):	May 2017
Forecasted Completion Date:	March 2018

Total Scheme Cost (£):	17,716,000
WYCA Funding (£):	1,500,000
Total other public sector investment (£):	0
Total other private sector investment (£):	16,216,000

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 Inward Investment Fund Programme is currently being developed and will seek approval as an Investment Programme in June 2017.
Current Funding Allocation:	The Strategic Inward Investment Fund has been allocated £12.45m, the scheme is affordable within this allocation.

Current Assurance Process Activity:



Scheme Description:

The scheme is a grant application relating to a proposal for a FTSE100 company to open a Global Shared Service Centre in Leeds City Region. The objective of the scheme is to centralise and standardise the company's existing business processes, delivering improved customer service and cost savings. This will allow the organisation to drive growth globally by increasing funds available for reinvestment in design, manufacturing, marketing and retail premises. The Global Shared Service Centre will occupy c.45, 000 sq.ft. of grade A office space in central Leeds initially over a ten year project period with continuation of the operation into the future.

The successful investment will initially create 329 new additional jobs for the city region by March 2018. A further c150 roles would then likely follow by March 2019 with approximately 100 of these roles being new to the UK.

The Grant funding requested of £1, 500, 000 would be combined with the applicant's funds of £16,216,000 in order to fund the fit out, furnishing and installation of required IT equipment at the Central Leeds office premises (estimated expenditure of c.£6m) and the capitalisation of a 10 year lease (estimated expenditure of £11.7m).

The overall Global Shared Services project ("Project Primrose") has been approved by the organisation's board. However, the location of the proposed new facility has not been finalised. 12 locations have been considered since the project was first proposed and 2 feasible options have been identified; Krakow in Poland and Leeds. The Board have delegated the decision on the location to the Group CFO and COO. Final business cases are being prepared for both scenarios and a decision is due in late April 2017.

Grant funding is required to strengthen the Leeds business case, which although strategically beneficial to the company, is financially less attractive than the Krakow alternative. Grant support is being requested to narrow the financial differential between the two options and to demonstrate to the organisation's board that Leeds City Region is supportive of the company's investment plans

Should the project proceed in Leeds then the Company will lease the property located in the City Centre on a ten-year lease with no break clause. The requested LEP funding will be allocated to the capital expenditure associated with the building fit out, and the lease rentals over the ten year term of the proposed lease.

If the grant application is approved management intend to announce the project publicly in early May 2017.

The project received Decision Point 2 approval on the WYCA Assurance process from Combined

Authority on 6th April 2017. The Combined Authority agreed to delegate further approvals at Decision Point 4 and 5 to the WYCA Managing Director following consideration by PAT. The project is now seeking Decision Point 4 approval which would provide a sufficient level assurance to enable WYCA to make an in principle grant offer to the applicant for consideration as part of the business case for locating the Shared Services Centre in Leeds.

Business Case Summary:	
Strategic Case	• A FTSE100 company is proposing the creation of a Global Shared Service Centre. This will involve relocating various business functions (HR, Finance, Customer Service, and Procurement) from their existing location in the South of England to a new site. • The scheme aims to centralise and standardise the company's existing business processes, delivering improved customer service and cost savings. In particular this will result from the release of one of its sites in Southern England and the relocation of existing roles resulting in a wage cost saving. • The company is developing detailed business cases for locating the Global Shared Services Centre in either Leeds or Krakow, Poland. • The Shared Services facility would be housed in grade A office space in Leeds with the capacity to accommodate c.500 employees. • The total forecast outturn cost of the scheme is £17.7m. This would cover £6m expenditure on the Leeds premises refit and £11.7m expenditure on 10 year lease costs. • The scheme would predominantly be funded from the applicant's operating cashflow (£16.2m) but the applicant has requested a £1.5m grant in order to strengthen the business case for the Leeds location which is financially less attractive than the Krakow alternative. • If located in Leeds the scheme would create over 300 relatively well-paid jobs which would be new to the city region and would have an anticipated GVA impact of £165m (to 2026). It is likely that over 100 further jobs would be created by 2019. • The scheme would be funded from the Strategic Inward Investment Fund programme. • The project has not been able to undertake any consultation with key stakeholders due to the sensitivity of proposals. It has however engaged consultants to guide them through the application process and identified locally based project delivery partners. • The applicant has taken state aid advice which states that the scheme qualifies for support under Regional Aid and aid of 10% of expenditure is therefore permitted. The proposed eligible expenditure complies with GBER. • The Incentive effect document provided as part of the application indicates that without a grant of £1.5m the project would not take place within the proposed location

Commercial Case	If the grant application is not approved it is unlikely that the scheme would be located in Leeds, and would instead be located in Krakow. As the scheme involves relocating existing business functions to a new location, there will be demand for the premises once they are operational. The applicant forecasts that if existing employees do not choose to relocate to Leeds, then there is a strong talent pool in Leeds which will ensure that remaining roles are filled. The applicant has identified locally based delivery partners to co-ordinate the premises refurbishment, and have negotiated Heads of Terms on potential premises.
Economic Case	The scheme would result in 329 FTE jobs being located within Leeds. These will be relatively well paid and sustainable in the long-term The project is expected to deliver additional GVA of over £165m to the city region by 2026. The speed and scale of the jobs being located within LCR means that GVA would be generated at a scale of around £17m per year. The associated cost per job is low at £4,225. There is no strategic impact regarding CO2 emissions but the company have made a commitment to achieving BREEAM excellent rating in the renovated office space. Of the 2 locations currently under consideration, Krakow is financially favourable. The cost differential between Krakow and Leeds is £3.8m based on a 10 year NPV calculation. Therefore the grant support of £1.5m is required to reduce the cost gap.
Financial Case	The project has a calculated outturn capital cost of £17,716,000 which would fund expenditure of the fit out, furnishing and installation of required IT equipment at the Central Leeds office premises (estimated expenditure of c.£6m) and the capitalisation of a 10 year lease (estimated expenditure of £11.7m). The applicant has provided a cost plan for the premises refit and an expenditure profile for lease costs. Evidence of the lease costs total has been provided. The project has a clear cash flow set out. The project will be funded through £16.2m of the organisation's operating cashflow and £1.5m from the WYCA grant. The applicant has confirmed that their own funding will come out of the savings total of the Global Shared Services project.
Management Case	The project has a clear delivery plan which can be summarised as: • In principle grant offer from WYCA – 21st April 2017 • Applicants decision on location of Global Shared Services Centre - Late April 2017

	• Applicants public announcement on location of Global Shared Services Centre - Early May 2017 • Lease on office premises commences - 1st June 2017 • Leased Office premises ready for occupation and phased roll out commences - 1st October 2017 • Initial 329 roles recruited to/ transferred to Leeds Premises - 31st March 2018 • Further c.150 roles recruited to/ transferred to Leeds Premises - 31st March 2019 The project will be delivered by the applicant with support from Building Works Delivery Partner and Business Transformation Delivery partner. A project Steering Group has been established, which includes Board member representation who have been given delegated decision-making powers on the choice of location and delivery timescales. The project has a risk register and have made provision for a risk allowance within their premises refit cost plan.

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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:	Delivery: Kate Thompson – Head of Implementation
Lead Promoter Contact:	Ambrose White - WYCA

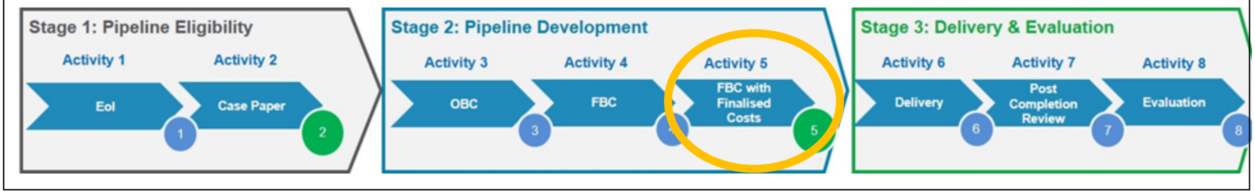
Applicable Funding Stream:	DfT Cycling and Walking to Work Fund
Growth Fund Priority Area (if applicable):	Priority Area 2 – Skilled People, Better Jobs

Forecasted Full Approval Date (Decision Point 5):	14/04/2017
Forecasted Completion Date:	31/03/2018

Total Scheme Cost (£):	£1.5m
WYCA Funding (£):	None
Total other public sector investment (£):	£1.5m
Total other private sector investment (£):	None

Is this a standalone Project?	Yes
Is this a Programme?	No
Is this Project part of an agreed Programme?	This project is being incorporated into the overarching CityConnect Programme.
Current Funding Allocation:	£1.5m from DfT.

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	The Strategic Case clearly demonstrates a strong strategic fit to the SEP, LCR & Transport Strategy, and relevant Dft / Cycling guidelines.
Commercial Case	Since assessment of the Case Paper, procurement and contracts requirements have now been further outlined.
Economic Case	A light touch options testing exercise was carried out as part of identification of the proposed programme; WYCA CityConnect, Employment and Skills and Business Growth teams discussed potential activities and considered fit against funding body objectives and deliverability; Further options testing was carried out as part of liaison with District Travel Plan and Public Health teams to identify existing District employment and business engagement activities and further potential activities that could be included in the programme. A WebTAG compliant Economic Appraisal was produced for the West Yorkshire application to the Access Fund for Sustainable Travel, which this project builds on and which included a number of similar activities (although these were originally planned over three years, with additional elements based on public transport ticket provision). A light touch approach to tailoring the Access Fund Economic Appraisal has been taken to remove the costs and benefits relating to the public transport ticketing elements. Following this adjustment the BCR still remains around 4:1. Any further project specific appraisal would require consultation with WYCA's Research & Intelligence Unit to determine scale of proportionate appraisal for the Economic Case (non-growth deal / revenue project). To consider National guidance on VfM methodology and Peer Review requirement.

Financial Case	Since assessment of the Case Paper, A more detailed Cost Assessment of risk has now been undertaken and a detailed cost plan broken down projected spend per Quarter). Not necessarily a requirement of the FBC, but moving forward into the delivery phases of the Project, would recommend the creation of a Project Cost report is created.
Management Case	WYCA have now produced the following Management Case documentation; - Cost Plan - QRA - Project Resource Plan - Project Governance - M&E Plan, Benefits Realisation plan (see comments in below Commercial Case); - Recommendation to create Lessons Learned log, and Change log. Management documentation has also been created as part of the wider Access Fund Bid Business Case.

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

WEST YORKSHIRE COMBINED AUTHORITY

ITEM 5

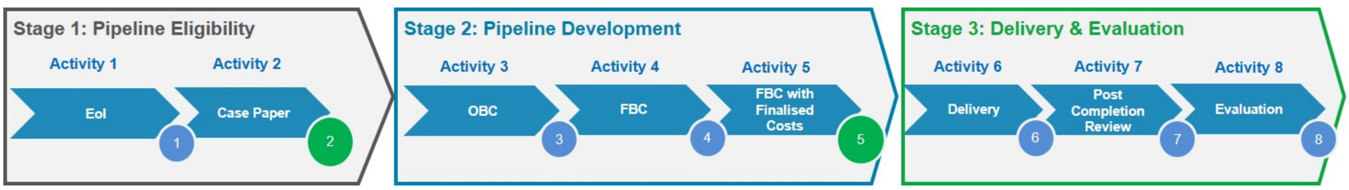
Report to:	**Combined Authority**
Date:	**6 April 2017**
Subject:	**Capital Spending and Project Approvals**

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.

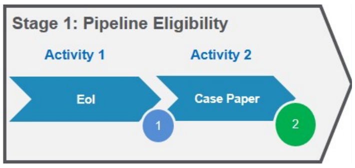


2.2 The Programme Appraisal Team (PAT) appraises all schemes at the decision points. The PAT consists of a panel of officers representing policy, legal, financial, assurance and delivery supplemented with external experts. The scheme promoters from the District Councils or Partner Delivery organisations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



<u>A629 Halifax to Huddersfield Corridor Phase 5 – Case Paper (Activity 2)</u>

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.

<u>Enterprise Zone Phase 2 (Part 2 Feasibility) – Case Paper (Activity 2)</u>

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 Staithgate 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.

<u>West Yorkshire Cycling and Walking to Work Fund – Case Paper (Activity 2)</u>

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.

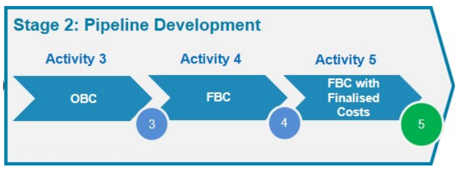
3.31 DfT expect the funding to be used to enable Bradford Council to develop the business case for the scheme, working in conjunction with WYCA. If the business case is strong then further funding would be required to deliver the construction phase of the scheme. This funding source has not been identified 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.

<u>A629 Halifax to Huddersfield Corridor Phase 1a – FBC (Activity 4)</u>

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 (NNDR) 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 (PWLB) 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 NNDR 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.

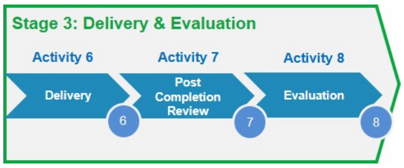
3.47 The revised Full Business Case been independently appraised and considered by the PAT. The appraisal concluded that LDHN is an innovative project with a high risk level in terms of delivery. The project has a vulnerable financial model – costs do not need to rise, or sales fall by more than 10% 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.

<u>Projects in Stage 3 – Delivery & Evaluation</u>



<u>Project Approvals that are being progressed through delegation to the Managing Director</u>

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.

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Director: Melanie Corcoran, Director, Delivery
Author: Sally Hinton

Report	West Yorkshire and York Investment Committee
Date	16 June 2017
Subject	LEP Loan 102

1. Purpose

1.1 To provide the Investment Committee with an update on this situation relating to a project that received a LEP Loan in 2013.

2. Information

2.1 On 4 January 2017, on an exceptional basis, the Committee approved the provision of grant funding of £200k to a project already in receipt of a LEP Loan, of which £150k was spent in 2016/17, with a further £50k subject to further consideration. The Committee asked to be updated on the progress of the project.

Risks

2.2 The risks related to this situation are being carefully monitored as there are areas of concern.

Benefits

2.3 Currently, the project continues to operate and deliver benefits and outputs.

3. Financial Implications

3.1 The status of both the LEP and other loans is being continually assessed and it is possible that despite the grant support and ongoing monitoring, this project could fail. Because of this, there will be a future recommendation that the loan is impaired in WYCA's accounts as anticipated future payments may be delayed or not received. However this does not mean that project failure is inevitable and there is still scope to recoup WYCA funds.

4. Legal Implications, Access to Information

4.1 The information contained in **Appendix A** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular it provides information in relation to costs at a time when commercial negotiations are ongoing. It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future negotiations.

5. Staffing Implications

5.1 There are no staffing implications.

6. Recommendations

6.1 To recommend that in relation to the LEP loan made to this project,

- Members note that the project is considered to be a high risk.
- That the next steps are supported as set out in the exempt appendix
- That any future decisions with financial implications be progressed through delegation to the Managing Director.

7. Background Documents

7.1 None.

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Director: Angela Taylor, Director, Resources
Author: Heather Waddington

WEST YORKSHIRE COMBINED AUTHORITY

Report	West Yorkshire and York Investment Committee
Date	16 June 2017
Subject	ESIF Sustainable Urban Development

1. Purpose

1.1 To ask the Investment Committee to consider the draft SUD Call, and subject to any comments, to recommend it to WYCA for approval.

2. Background

2.1 On 8 March 2017, the Investment Committee considered and noted the roles and responsibilities relating to Intermediate Body status delegated to West Yorkshire Combined Authority (WYCA) in order to deliver the SUD Strategy, part of the ESIF Programme. At this meeting the Committee also provided advice on the outline shape of the SUD Call.

2.2 The outline shape of the SUD Call was subsequently agreed by WYCA at the 6 April 2017 meeting, who agreed for officers to develop the full Call with the Managing Authority (MA) i.e. Department for Communities and Local Government (DCLG).

2.3 The full Call has now been produced in draft form and is attached to this report as Exempt Appendix B together with a covering note (Exempt Appendix A). Investment Committee is requested to consider the content of the draft Call with particular focus on section 3.2 which describes the local development needs within the SUD area (West Yorkshire and York), within the national template. Investment Committee is further requested to provide feedback and comment (which will be considered in negotiation with DCLG) with a view to recommending this to WYCA for approval at its meeting on 29 June prior to formal publication by the DCLG – expected July 2017.

3. Risks

3.1 The risks of non-compliance with regard to the delegated function of WYCA as an Intermediate Body were previously outlined at the meeting in March 2017. At this stage the main risk relates to whether there is sufficient interest from stakeholders/bidders to apply for the funds in response to the published Call, the funding remains unspent and potentially could be lost to the City Region.

4. Benefits

4.1 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 Strategic Economic Plan.

5. Financial Implications

5.1 DCLG, as MA for the funds, are responsible for the issuing of Funding Agreements, paying projects and general contract management. The funding within the Strategy (€19.95m) is a notional budget and is part of the ESIF ERDF programme. All finances go directly through DCLGs accounts not the WYCA's.

5.2 If WYCA choose to bid themselves for the funds there will be implications for the WYCA in respect of providing match to the value of 50% of any project costs, either by themselves or in partnership with others.

6. Legal Implications

6.1 The information contained in Appendices A and B is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

6.2 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 previously outlined operating protocol.

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. Should WYCA choose to bid for the funds itself staff resources may be required in order to complete the application(s).

8. Recommendations

8.1 That the Investment Committee considers the draft Call and subject to any comments recommends it for approval to WYCA.