

WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 9 NOVEMBER 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 1 of Agenda Item 9, Appendix 1 of Agenda Item 10 and Appendices 1 - 6 of Agenda Item 11 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 in paragraph 4 of Agenda Items 9 & 10 and paragraph 9 of Agenda Item 11.
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 the appendices to Agenda Items 9, 10 & 11 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4. MINUTES OF THE MEETING OF THE WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE HELD ON 6 SEPTEMBER 2017

(Pages 1 - 10)

5. LEEDS CITY REGION GROWTH DEAL DELIVERY

(Pages 11 - 26)

6. WYCA CAPITAL PROGRAMME UPDATE

(Pages 27 - 34)

7. WORKING WITH NETWORK RAIL

Paul McKeown from Network Rail will attend for this item.

(Pages 35 - 38)

8. CAPITAL SPEND AND PROJECT APPROVALS

(Pages 39 - 88)

9. PROVISION OF A GRANT TO PROJECT BETA

(Pages 89 - 92)

10. GPF 102 PROVISION OF SUPPORT GRANT

(Pages 93 - 96)

11. ESIF SUD

(Pages 97 - 100)

For Information

(a) MINUTES OF THE BUSINESS INVESTMENT PANEL HELD ON 21 SEPTEMBER 2017

(Pages 101 - 104)

(b) DRAFT MINUTES OF THE BUSINESS INVESTMENT PANEL HELD ON 17 OCTOBER 2017

(Pages 105 - 108)

Signed:



WYCA Managing Director



**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE
HELD ON WEDNESDAY, 6 SEPTEMBER 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON HOUSE, LEEDS**

Present:

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

In attendance:

Councillor Eric Firth	WYCA Transport Committee
Melanie Corcoran	WYCA
Elizabeth Courtney	WYCA
Vicky Dumbrell	WYCA
Chris Dunderdale	WYCA
Dave Haskins	WYCA
Tom Murphy	WYCA
Chris Maunder	WYCA
Henry Rigg	WYCA
Angela Taylor	WYCA
Dathan Tedesco	WYCA
Jacqui Warren	WYCA

9. Apologies for Absence

There were no apologies for absence.

10. Declarations of Disclosable Pecuniary Interests

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

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

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during

consideration of Appendix 2 to Agenda Item 8 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

12. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 12 July 2017

Resolved: That the minutes of the West Yorkshire and York Investment Committee held on 12 July 2017 be approved and signed by the Chair.

13. Investment Panel - Governance Issues

The Committee considered a report of the Director of Resources which asked members to consider:

- a change of name for the Investment Panel; and
- an interim appointment to the Investment Panel.

It was proposed that in order to better distinguish the Panel from Investment Committee that the name of the Panel be changed to the Business Investment Panel.

It was reported that there were two vacancies for private sector representatives on the Panel. A recruitment exercise was to be undertaken in the autumn seeking private sector representatives for all WYCA's Panels but, in order to ensure that the Investment Panel had the appropriate expertise in place until that time, it was proposed that an interim private sector member be appointed.

Resolved:

- (i) That the name of the Investment Panel be changed to Business Investment Panel.
- (ii) That authority be delegated to WYCA's Managing Director to appoint one private sector representative to the Business Investment Panel on an interim basis (pending completion of the review of Panels' membership) subject to consultation with the Chair of the Panel and the WYCA LEP member.

14. Leeds City Region Growth Deal Delivery

The Committee considered a report of the Director of Delivery which provided:

- An update on progress made towards the achievement of Key Performance Indicators (KPIs) and on the implementation of the Growth Deal programme.
- An overview of the Call for Projects and the current situation in defining the Growth Deal Impact Sites.

Members noted the progress of the seven KPIs, details of which were attached at Appendix 1 to the submitted report together with information in respect of programme expenditure for the first two quarters to the end of September 2017/18.

The Growth Deal Dashboard and Pipeline were attached at Appendices 2 and 3 of the submitted report. Members were advised that the forecast spend was currently £104.76m against the annual target of £100.15m and members also noted the projects currently rated as Red which represented a risk to the delivery of the programme.

The Committee discussed and noted the cost of managing the portfolio and the capitalisation proposals which were set out in the submitted report.

It was reported that WYCA and the LEP have issued an open call for proposals that can make a strategic impact across the city region and meet a number of different requirements. It was noted that whilst there was no available/allocated funding at present there were several potential opportunities and these were outlined in the submitted report. The outcomes of the call would be presented to the Investment Committee's Autumn workshop.

Members were updated on the ongoing work in respect of identifying Growth Deal impact sites. This had included mapping all of the Growth Deal projects in preparation for agreeing the proposed impact sites and discussions in respect of how overlapping areas of impact would be agreed were ongoing with SQW, the consultants appointed to undertake the Growth Deal progress reviews.

Resolved:

- (i) That the progress towards achievement of the KPIs and the implementation of the Growth Deal be noted.
- (ii) That the Investment Committee recommends to WYCA for approval the capitalisation proposals set out in paragraphs 4.1 and 4.2 of the submitted report.

15. Capital Spend and Project Approvals

The Committee considered a report of the Director of Delivery on proposals for the progression of, and funding for, a number of West Yorkshire plus Transport Fund (WY+TF) and Growth Deal projects at Stages 1, 2 and 3 of WYCA's Assurance Process.

Members considered the following schemes which were detailed in the submitted report:

A629 Phase 4 Halifax to Huddersfield Corridor Improvements	Decision Point 2 (Case Paper)
Access Innovation Programme	Decision Point 2 (Case Paper)

Strategic Business Growth Programme	Decision Point 2 (Case Paper)
Beech Hill, Halifax	Decision Point 2 (Case Paper)
Castleford Rail Station Gateway	Decision Point 3 (Outline Business Case)
Energy Accelerator Programme	Decision Point 4 (Full Business Case)
Leeds District Heat Network	Decision Point 5 (Full Business Case with Finalised Costs)
New Bolton Woods	Decision Point 5 (Full Business Case with Finalised Costs)

The report also provided further details and outlined recommendations for the following schemes which have had exception reports assessed in line with WYCA's Assurance Process:

Leeds New Station Street	Activity 5 (Full Business Case plus Finalised Costs) Exception
Huddersfield Incubation & Innovation Centre	Activity 6 (Delivery) Exception
Tackling Fuel Poverty	Activity 6 (Delivery) Exception

The Committee was provided with details of decisions made through delegation to WYCA's Managing Director since the last meeting. It was noted that the decisions were made following recommendations from WYCA's Programme Appraisal Team for the following schemes:

- Hebden Bridge Rail Park and Ride Decision Point 5 (Full Business Case with Finalised Costs)
- LEP Loan – Fresh Pastures (Full Business Case with Finalised Costs)
- Strategic Inward Investment Fund Decision Point 5 (Full Business Case with Finalised Costs)
- Business Growth Programme Decision Point 5 (Full Business with Finalised Costs)

Summaries of the schemes' Business Cases were attached as Appendices 1-12 of the submitted report.

It was noted that due to the nature of the funding stream, the Pothole Action Fund had been considered by WYCA and a funding allocation of £2.231m had been approved.

Resolved:

- (i) In respect of **A629 Phase 4 Halifax to Huddersfield Corridor Improvements (Decision Point 2)**, the Investment Committee recommends to WYCA that:
- The A629 phase 4 project proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case).
 - An indicative approval to the total project value of £30.000m is given

from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).

- Development costs of £0.570m are approved in order to progress the scheme to Decision Point 3 (Outline Business Case), taking the total project approval to £0.645m.
- WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £0.570m from the West Yorkshire plus Transport Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(ii) In respect of the **Access Innovation Programme (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- The Access Innovation Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- An indicative approval to WYCA's contribution of £4.750m (which will be funded through £0.485m from the Local Growth Fund Access to Capital Grants programme fund and £4.265m from the ERDF fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(iii) In respect of the **Strategic Business Growth Programme (Activity 2 Case Paper)**, the Investment Committee recommends to WYCA that:

- The Strategic Business Growth Programme proceeds through Decision Point 2 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- An indicative approval to WYCA's contribution of £3.146m (which will be funded through £2.156m from the ESIF Grant and £0.990m from the WYCA Capital Grants fund) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).

- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (iv) In respect of **Beech Hill, Halifax (Activity 2 Case Paper)**, the Investment Committee recommends to WYCA that:
- The Beech Hill project proceeds through Decision Point 2 and work commences on Activity 4 (Full Business Case).
 - An indicative approval to WYCA's contribution of £1.000m (which will be funded through Growth Deal 3) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
 - Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (v) That in respect of **Castleford Rail Station Gateway (Activity 3 Outline Business Case)**, the Investment Committee recommends to WYCA that:
- The Castleford Rail Station Gateway project proceeds through Decision Point 3 and work commences on Activity 4 (Full Business Case).
 - An indicative approval to the total project value of £4.511m is given from the West Yorkshire plus Transport Fund with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs).
 - Development costs of £0.317m are approved in order to progress the scheme to Decision Point 5 (Full Business Case with Finalised Costs), taking the total project approval to £0.338m.
 - WYCA enter into a Section 56 grant agreement with Northern Rail for expenditure of up to £0.200m from the West Yorkshire plus Transport Fund.
 - Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including at Decision Points 4 and 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (vi) That in respect of **Energy Accelerator (Activity 4 Full Business Case)**, the

Investment Committee recommends to WYCA, subject to a successful European Local Energy Assistance (ELENA) application, that:

- The Energy Accelerator programme proceeds through Decision Point 4 and work commences on Activity 5 (Full Business Case with Finalised Costs).
- Approval to spend the £0.640m Local Growth Fund allocation as match to support the development of the Accelerator is confirmed.
- An indicative Approval to the £2.997m ELENA funding (the exact amount dependent on Euro exchange rate at the date of approval – application pending) is given with Full Approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs). This will bring the total project value to approximately £3.817m (£0.820m Local Growth Fund, £2.997m ELENA).
- Development costs of up to £0.180m are approved in order to pay the incurred development costs and to progress the scheme to Decision Point 5 (Full Business Case with Finalised Costs) from the Local Growth Fund, taking the total project approval to £0.820m.
- Future approvals are made in accordance with the Approved Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through a delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- WYCA's Managing Director use his existing delegated authority to approve projects within any future phases of the Energy Accelerator Programme, providing that the value of each scheme is less than £1m.

(vii) In respect of **Leeds District Heat Network – Phase 1 (Activity 5 Full Business Case with Finalised Costs)**, the Investment Committee recommends to WYCA conditional approval of the following recommendations, with final approval of these recommendations being subject to WYCA's Managing Director approval of the detailed grant conditions on a clawback mechanism:

- The Leeds District Heat Network project proceeds through Decision Point 5 and work commences on Activity 6 (Delivery).
- Approval to WYCA's contribution of £4.000m (which will be funded from the Local Growth Fund) is given.
- WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £4.000m from the Local Growth Fund.
- The Funding Agreement makes provision for up to £4.000m to be clawed back if the Leeds District Heat Network makes an operating profit over the 25 year asset lifetime.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report through a delegation to WYCA's Managing Director following a recommendation

by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(viii) In respect of **New Bolton Woods (Activity 5 Full Business Case with Finalised Costs)**, the Investment Committee recommends to WYCA's Managing Director that:

- The New Bolton Woods Phase 3 project proceeds through Decision Point 5 and work commences on Activity 6 Delivery.
- Approval to WYCA's contribution of £3.600m (which will be funded from the Local Growth Fund) be given.
- WYCA enter into a Funding Agreement with Bradford Metropolitan District Council for expenditure of up to £3.600m from the Local Growth Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(ix) In respect of **Leeds New Station Street Activity 5 (Full Business Case with Finalised Costs) Exception**, the Investment Committee recommends to WYCA that:

- The exception to extend the project timescale to completion on site by December 2018 be approved.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report including at Decision Point 5 through the delegation to WYCA's Managing Director following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(x) In respect of **Huddersfield Incubation & Innovation Centre Activity 6 (Delivery) Exception**, the Investment Committee recommends to WYCA's Managing Director that:

- The exceptions outlined in the submitted report be approved.
- It is reconfirmed that the project will receive the WYCA grant fund allocation of £2.922m to be funded from the Local Growth Fund.
- The Funding Agreement between WYCA and Huddersfield University is revisited in light of the above exception and any changes to the Funding Agreement and Overage Agreement be approved through the delegation to WYCA's Managing Director.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report following a

recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(xi) In respect of **Tackling Fuel Poverty Activity 6 (Delivery) Exception**, the Investment Committee recommends to WYCA's Managing Director that:

- The exceptions outlined in the submitted report be approved.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in the submitted report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

16. ESIF SUD Update

The Committee considered a report of the Director of Resources which provided an update on the development and publication of the SUD Call and outlined the next steps.

It was noted that the Call for outline applications was published on 3 July 2017 and will close on 29 September 2017. It was expected that the outline applications would be considered by the Investment Committee at the next meeting scheduled for 9 November 2017 and further information in respect of the selection criteria would also be provided. WYCA, as the Intermediate Body (IB), would then assess them after the closing date.

Resolved: That the progress and next steps in respect of the Call be noted.

17. Wakefield Eastern Relief Road : Change Request

For consideration of this item the chair, Councillor Peter Box, was deputised by Roger Marsh.

The Committee considered a report of the Director of Delivery which provided information in respect of the submitted Change Request from Wakefield Council for the recently completed Wakefield Eastern Relief Road (WERR).

It was noted that the total cost of the project, which was now complete, was estimated at approximately 15% over the designated budget approval. The strategic importance of the scheme was outlined and it was recognised that the project still represents 'very high' Value for Money. The project is already delivering significant benefits in terms of outcomes relating to housing development, decongestion benefits and journey time savings.

Members discussed the causes leading to the cost over-run and the measures taken to mitigate them were detailed in the submitted report. It was anticipated that the Change Request as presented could be accommodated within the overall programme

and that WYCA could fully meet the cost of the change through the West Yorkshire plus Transport Fund budget. Members noted that lessons had been learned on this first scheme within the WY+TF and that the assurance process has been revised since the original approval of this scheme. This will ensure any future schemes with changes to costs are flagged up at an early stage and risks will be clearly managed by the scheme promoter, with risks designed into individual scheme costs from the outset.

Resolved:

- (i) That the Investment Committee notes the Change Request and recommends to WYCA approval of the cost over-run to be met from the West Yorkshire plus Transport Fund and expenditure on the project of up to £37.593m, subject to Final Account on the scheme.
- (ii) That Wakefield Council endeavour to resolve outstanding contractor issues and seek to reduce the cost figure payable to Network Rail.
- (iii) That an addendum to the Funding Agreement be developed and agreed by both parties to approve payment to Wakefield Council up the maximum £37.593m costs, subject to evidence around the areas of additional incurred cost.

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



Report to: West Yorkshire and York Investment Committee

Date: 9 November 2017

Subject: Leeds City Region Growth Deal Delivery

1. Purpose

- 1.1. To update the Committee of progress made towards the achievement of Key Performance Indicators (KPIs) and on the implementation of the Growth Deal programme.
- 1.2. The report briefly summarises the activities of the Investment Committee Workshop. It also sets out the current activity in relation to the Independent Evaluation of the West Yorkshire + Transport Fund (WY+TF).

2. Key Performance Indicators

- 2.1. A review of WYCA's performance against the achievement of the Growth Deal KPIs set by Government will be undertaken at a meeting between WYCA officers and representatives of the Cities and Local Growth Unit (CLOG) on 1 November 2017. The Relationship Officer from CLOG will then make a recommendation to the National Accounting Officer regarding payment of the remaining £42.23m for 2017/18.
- 2.2. The seven KPIs have now been achieved, these are summarised in the attached **Appendix 1**.

3. Growth Deal Expenditure and Delivery

- 3.1. The table below details programme expenditure totalling £27.53m of defrayed expenditure to the end of September 2017.

	Target spend 2017/18	Spend to end September 2017	% of 2017/18 target
Priority 1 - Business	£13.52m	£5.70m	42.2%
Priority 2 - Skills Capital	£29.33m	£8.57m	28.6%
Priority 3 - Environmental Infrastructure	£8.07m	£0.96m	11.9%

Priority 4a - Housing & Regeneration	£3.87m	£1.18m	30.5%
Priority 4b - West Yorkshire + Transport Fund	£37.46m	£11.11m	29.7%
Priority 4c - Flood Resilience	£2.00m	£0	0
Priority 4d - Enterprise Zones	£4.00m	£0	0
WYCA Programme Management	£1.90m	TBC	0
Total	£100.15m	£27.52m	27.5%

- 3.2. The attached Growth Deal Dashboard at **Appendix 2** and West Yorkshire + Transport Fund Dashboard at **Appendix 3** (note this spreadsheet has now been amended to include all projects in the WY+TF both in delivery and in the pipeline) detail the latest forecast expenditure and provide a RAG rating of each project.
- 3.3. The target expenditure for the 2017/18 is £100.15m, the current forecast against this target £95.59m. This target does not include spend forecast for projects which are being accelerated and where spend will be subject to approvals being made during the financial year. Contingency arrangements in relation to acceleration of expenditure on three major contracts will address any shortfall against the target.
- 3.4. It might be expected that the expenditure level at the end of Quarter 2, the mid-point of the year, should be in the region of 50%. In practice it is normal for capital spend within local authorities to be heavily weighted towards year end. The profile of quarterly spend in the two previous years of the Growth Deal programme has been as follows:

	2015/16					2016/17				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Actual Expenditure	£2,445,658	£4,225,660	£8,719,073	£22,941,631	£38,332,022	£2,107,507	£9,173,933	£14,785,501	£58,700,826	£84,767,767
Percentage of Annual Spend	6.38%	11.02%	22.75%	59.85%		2.49%	10.82%	17.44%	69.25%	

One reason for the improved performance in 2017/18, and the expectation of continued improvement in future years, is the continued progress in bringing projects forwards for approval, and therefore, commencing in delivery.

- 3.5. The following projects are RAG rated as Red and represent a risk to the delivery of the Programme:
- **Leeds Station Gateway – New Station Street**
Project has been delayed awaiting appointment of subcontractor by Network Rail, this appointment has now been made, progress on the project is awaited.
 - **Rail Parking Package – Shipley Station and Steeton and Silsden Stations**
These projects are delayed subject to awaiting the issue of Asset Protection Agreement's by Network Rail.

- **Urban Traffic Management Centre (UTMC)**
Discussions are ongoing between local authority partners to agree a phased implementation of this project.
- **A650 Hard Ings Road and Harrogate Road / New Line**
Both of these projects are subject to Public Inquiry and will not progress further until these have been concluded. The Public Inquiry for the A650 Hard Ings Road is set for 31 January 2018.
- **Bradford to Shipley Corridor**
The Full Business Case for this project was expected in September 2017, this has now been revised to October 2018. Additional resources have been allocated to the project to ensure that this date is achieved.
- **Energy Accelerator**
The Investment Committee has now approved the Outline Business Case for this project and agreed that it should come forward as a Full Business Case, however approval of the European Investment Bank ELENA funding is still awaited and until this is received the project cannot progress.
- **WY+TF Pipeline**
Forecast spend to the value of £10.24m included within the WY+TF pipeline still requires formal approval through the Assurance Process. The majority of this funding £5.92m relates to Leeds Station Gateway, individual Rail Park and Ride projects and the UTMC. The remainder of £4.32m is for the East Leeds Orbital Route which is included within the Capital Spending and Project Approvals Report in this agenda.

3.6 Three projects previously classified as Red rated have now been de-escalated:

- **Hebden Bridge Rail Park and Ride** – commenced on site on 29 September 2017.
- **Leeds District Heat Network** – approval of the revised Full Business Case was given by the WYCA on 5 October 2017.
- **Huddersfield Incubation and Innovation Unit** – change request has been agreed at the last Investment Committee and approved through delegated decision of the Managing Director on 15 September 2017.

4. Members Workshop

- 4.1 The Investment Committee Workshop held on 31 October 2017 considered the expressions of interest submitted under the recent call for projects. The purpose of this was to establish a reserve list against priority areas.
- 4.2 A key activity of this workshop to complement the consideration of new projects was to consider principles around de-commitment of existing projects included within the Growth Deal. Whilst there are no immediate proposals for de-commitment of specific projects it is important to agree the principles behind any proposals and to ensure partners are aware of the criteria and can see how these may apply. The principles will be developed further and recommendations brought to the next Investment Committee meeting.

5. 2019/20 Independent Evaluation of the West Yorkshire Plus Transport Fund

Overview

- 5.1 As was reported to the June 2017 Investment Committee, 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.
- 5.2 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 + Transport Fund (WY+TF). Government has 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 WY+TF. This funding will be provided as up to £30m per annum from 2021/22 to 2034/35.
- 5.3 The success of the 2019/20 Growth Deal 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.
- 5.4 Consultants SQW have been appointed at a national level to undertake the progress reviews and have been working 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; and
 - The need for data collection in real time.
- 5.5 The principles of a National Framework have been developed by SQW and agreed by the eleven authorities involved on an 'in principle' sign-off basis. Following agreement of the National Framework, SQW have been working with the LCR to develop a local Monitoring & Evaluation framework for the WY+TF. This 'Locality Framework' is a critical document for WYCA and its LCR partners.
- 5.6 The Locality Evaluation Framework reflects the nature and mix of interventions supported by the WY+TF, and will be used to develop detailed evaluation plans to be implemented in advance of the Gateway Review. The framework contains three elements:

- details of the interventions that are supported by the Investment Fund that are within-scope of the evaluation for the first Gateway Review;
- tailored logic models building on the examples in the National Evaluation Framework, identifying the routes to outcomes and impacts for these interventions; and
- prioritisation of interventions where evaluation research will be focused.

Taking these in turn:

Scope of the intervention

- 5.7 The Locality Evaluation Framework is focused on interventions that have been approved formally, and where expenditure has been incurred (potentially in full), within the first Gateway Review period.
- By ‘within the first Gateway Review period’, it refers to expenditure that commenced at least 12 months in advance of the evaluation reporting requirement for the Gateway Review in December 2019 i.e. expenditure before December 2018. This is to allow sufficient time for evidence on progress of delivery to emerge, to inform the evaluation in the Locality.
 - Interventions that are approved within the first Gateway Review period but where no expenditure is planned at least 12 months before the first Gateway Review reporting period are not covered by the Locality Framework i.e. they are not within scope.

Tailored Logic Models

- 5.8 In evaluating publicly-funded interventions, it is good practice to develop a ‘logic model’ which articulates explicitly the relationship between inputs, activities, outputs, and outcomes:
- inputs are the resources used by the intervention, including the Investment Fund resource;
 - activities are those tasks undertaken by the intervention;
 - outputs are the readily measurable results of those activities (such as km of new highway constructed, number of parking spaces created); and
 - outcomes are the benefits attributable to the intervention including ‘intermediate outcomes; for the direct beneficiaries of the intervention (such as reduced journey times), and ‘final outcomes’ for the wider economy/society (such as increased employment at sites/premises, number of housing units completed).
- 5.9 To ensure that funding for WY+TF schemes continues beyond 2019, it is critical that we demonstrate to Government that benefits can be traced right through to the outcomes – that is, we do not just consider that a project is complete once construction is complete, but track what has been achieved as a result of the project going forward. The need for WYCA to demonstrate to Government that we have robust evaluation approaches in place is therefore critical, as is the need to ensure that projects are focused on direct and indirect outcomes.

- 5.10 One of the main aims of the Locality logic models is to shape the evaluation activity for Gateway Review 1 in December 2019. Therefore, the first step in developing the logic models was to consider the projected expenditure profile and select the projects that are likely to be most progressed by 2019, either in absolute or percentage terms. This helped to identify a number of in-scope projects.
- 5.11 In developing the Locality logic models, different spatial and thematic approaches were considered and discussed in detail at a workshop with WYCA officers in July 2017. Due to the volume of WY+TF projects, the geographic spread, and likely linkages with other Growth Deal projects being delivered in the Leeds City Region over the coming years, it was agreed that a geographic based clustering of projects would be the most appropriate way to proceed.

Prioritisation of Interventions

- 5.12 The remit of the National Evaluation Panel for the first Gateway Review of the Investment Funds is to provide evidence on the impact of the funds in delivering local growth outcomes set out in the logic models; this 'impact evaluation' will be the core focus of the evaluation plans.
- 5.13 However, in some cases it may be too early for the evaluation to evidence impacts by 2019, even at an interim stage. The evaluation plans will also therefore include 'progress evaluation' that reports on the progress that interventions have made by the point of the Gateway Review in their delivery, for example, against anticipated expenditure, delivery milestones, and in generating outputs.

Next Steps

- 5.14 Following completion of this Locality Evaluation Framework, the National Evaluation Panel team and relevant officers in WYCA will develop and agree a Locality Evaluation Plan setting out the methods for evaluation of prioritised interventions, timescales, and monitoring requirements. This Evaluation Plan will include a costed resource plan and will most likely require to be a mix of SQW resource and in-house WYCA resource.
- 5.15 The aim is to have the Locality Evaluation Plan completed by December 2017, following which it will be reported to Investment Committee for approval.

6. Financial Implications

- 6.1. As set out in the report.

7. Legal Implications

- 7.1. There are none arising directly from this report.

8. Staffing Implications

8.1. There are none arising directly from this report.

9. Recommendations

9.1. It is recommended that the Investment Committee notes the progress towards achievement of the KPI's and the implementation of the Growth Deal.

9.2. It is recommended that the Investment Committee note the Independent Evaluation of the WY+TF and the development of Locality Evaluation Framework.

10. Background Documents

10.1. None.

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Appendix 1 Growth Deal Key Performance Indicators

<p>WYCA is undergoing a One Organisational design process. Business cases for Delivery and Policy and Strategy teams were approved in March / April 2017. These include 8 programme management posts, 11 project definition / development posts and 22 project management posts.</p> <p>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.</p>	<p>Achieved</p> <p>The new structure for the Delivery Directorate has now been finalised and all posts that could be filled through internal slotting as well as a number of internal promotions were achieved by end of June, this represented 82% of the Delivery Directorate posts. A further 11 posts are in Policy, Strategy and Resources, 9 (82%) of these had been filled by the end of June 2017.</p> <p>Whilst the KPI has been achieved activity continues to populate the full structure. A number of internal promotions have led to ongoing vacancies, however interviews to fill these are ongoing. An organisation structure chart will be updated at the latest possible date in October for presentation to the review meeting.</p>
<p>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.</p> <p>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. A strategic partner (or equivalent) will be appointed by end of September.</p>	<p>Achieved</p> <p>Appointments have been made by individual authorities (York 3, Bradford 1), however a further 6 job offers have been made through the recruitment company that has been appointed. These six appointees commence in post: 29 August (2), 1 September (1), 11 September (1), 18 September (1), 28 September (1).</p> <p>A company has now been appointed from the Professional Services Framework and is due to commence on 30 October 2017.</p>
<p>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).</p> <p>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.</p>	<p>Achieved</p> <p>Review has been undertaken of the individual projects within the Housing and Regeneration priority to identify where progress can be made through WYCA and local authority actions.</p> <p>Resources in relation to pipeline developments are currently under review in relation to Housing Investment Fund bids.</p>

<p>The Leeds City Region Growth Deal Programme to 2020/21 includes Government funding of £516.35m, £247.7m (48%) of this had been approved as at March 2017.</p> <p>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 £273.7m (53%) of the programme.</p> <p>*projects approved at decision point 5, with full business cases and finalised costs</p>	<p>Achieved Projects / Programmes agreed at Decision Point 5 to date: A629 Halifax to Huddersfield Corridor Phase 1a £8.5m Tackling Fuel Poverty Phase 4 - £1.07m Strategic Inward Investment Fund £12.45m Business Growth Programme £9m Digital Sector Soft Landing Scheme £1m Total £32.02m</p> <p>The current approval level is £310m (60% of Growth Deal allocation), this includes approvals at Decision Point 2 of development costs on WY+TF projects.</p>
<p>KPI 5 – 7* additional projects will commence by end September 2017 and 10** projects will be completed during Quarters 1 & 2.</p> <p>*Commencing – East Leeds Housing Growth - brownfield sites, York Guildhall, rail station car parks at Hebden Bridge and Fitzwilliam, Strategic Inward Investment Fund, Digital Soft Landing Scheme and Business Growth Programme.</p> <p>** Completing - four skills capital projects (Leeds Printworks, Wakefield College, Selby College, Bradford College) plus Wakefield Eastern Relief Road, South Elmsall and Aire Valley Rail Park and Ride schemes, Wakefield Civic Quarter, and Leeds and Skipton flood alleviation schemes.</p>	<p>Achieved Commencing – all 9 projects have commenced: East Leeds Housing Growth brownfield sites (housing start September), York Guildhall, Hebden Bridge Car Park (start date 29 September), Fitzwilliam Station Car Park (start date 4 September), the Strategic Inward Investment Fund, Digital Sector Soft Landing Scheme, Business Growth Programme, Leeds College of Building, York Central.</p> <p>Completed – 10 projects are now complete: Leeds Printworks, Wakefield College, Selby College, Bradford College, Wakefield Eastern Relief Road, South Elmsall, Aire Valley Park and Ride, Leeds and Skipton Flood Relief projects. Wakefield Civic Quarter – car park demolition completed. Relocation of a vets practice due to take place late Autumn.</p>
<p>KPI 6 – 250 further jobs will be delivered by end September 2017, bringing the lifetime total so far to 2,850.</p>	<p>Achieved Total jobs created, 3,190 achieved by end September 2017. Total 590.</p>
<p>KPI 7 – A further £20m LGF will be defrayed by end September, and the LEP/WYCA will confirm that they are on track at the mid-year review to spend the £100m planned expenditure in 2017/18 (139% of GD1-3 allocation).</p>	<p>Achieved Expenditure defrayed by WYCA at end September 2017 £27.53m. Current forecast for 2017/18 is £95.59m and contingency arrangements are in place to accelerate spend on three major contracts.</p>

Growth Deal dashboard

Figures accurate up to:		End of September 2017
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2017/18	£100,154,776	Total Outturn Forecast	£95,588,692
Target		Actual	£27,529,175

Project name		Project responsibility	Approved budget	Previous years spend		In-year spend and RAG rating (2017/18)					RAG rating	Future forecast spend			TOTAL spend (actual + forecast)
	District	Senior Responsible Officer		2015/16	2016/17	Agreed Annual Forecast	Actual spend to date (September 2017)	Forecast spend (October 17 to Mar 18)	Total of actual and forecast	2018/19		2019/20	2020/21		
Business Growth Programme	City Region	Sue Cooke	£27,000,000	£6,660,742	£8,337,742	£3,001,516	£1,409,411	£3,592,105	£5,001,516	GREEN	£2,500,000	£2,500,000	£2,000,000	£27,000,000	
Access to Capital Grants Programme	City Region	Sue Cooke	£15,700,000	£0	£1,513,095	£1,671,020	£3,701,554	£889,114	£4,590,668	GREEN	£3,173,745	£3,173,745	£3,248,747	£15,700,000	
Huddersfield Incubation & Innovation Programme	Kirklees	Liz Townes-Andrews	£2,922,000	£0	£0	£2,983,986	£978	£2,921,022	£2,922,000	AMBER	£0	£0	£0	£2,922,000	
Leeds University Innovation Centre	Leeds	Ceri Williams	£3,000,000	£0	£2,416,585	£613,415	£583,415	£0	£583,415	GREEN	£0	£0	£0	£3,000,000	
Business Expansion Fund - Strategic Inward Investment Fund	City Region	Sue Cooke	£12,450,000	£0	£0	£5,250,000	£0	£1,071,136	£1,071,136	AMBER	£2,608,504	£4,098,740	£4,671,620	£12,450,000	
Business Expansion Fund - Digital Sector Soft Landing Scheme	City Region	Sue Cooke	pipeline	£0	£0	£0	£0	£116,636	£116,636	GREEN	£308,504	£338,740	£236,120	£1,000,000	
Priority 1: Growing Business			£61,072,000	£6,660,742	£12,267,422	£13,519,937	£5,695,358	£8,590,013	£14,285,371		£8,590,753	£10,111,225	£10,156,487	£62,072,000	
Round 1 - Shipley College Mill	Bradford	Nav Chohan	£119,000	£119,000	£0	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£119,000	
Round 1 - Leeds City College Printworks	Leeds	Jane Pither/Lydia Devenny	£8,998,358	£993,800	£7,794,608	£270,167	£0	£269,950	£269,950	GREEN	£0	£0	£0	£8,998,358	
Round 1 - Calderdale College	Calderdale	Denise Cheng Carter	£4,977,000	£2,000,000	£2,977,000	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£4,977,000	
Round 1 - Kirklees College	Kirklees	Ian Webster	£3,100,996	£3,000,996	£100,001	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£3,100,997	
Round 2a - Wakefield College	Wakefield	John Foster	£3,327,000	£0	£3,327,133	£0	£0	£0	£0	N/A	£0	£0	£0	£3,327,133	
Round 2a - Selby College	Selby	Liz Ridley	£693,748	£0	£693,748	£0	£0	£0	£0	N/A	£0	£0	£0	£693,748	
Round 2a - Shipley College Salt Building	Bradford	Nav Chohan	£300,000	£0	£300,000	£0	£0	£0	£0	N/A	£0	£0	£0	£300,000	
Round 2a - Bradford College	Bradford	Andy Welsh	£250,000	£0	£250,000	£0	£0	£0	£0	N/A	£0	£0	£0	£250,000	
Round 2b - Leeds College of Building	Leeds	Ian Billyard	£14,000,000	£0	£1,263,639	£7,886,362	£286,825	£4,643,851	£4,930,675	AMBER	£5,555,686	£150,000	£0	£11,900,000	
Round 2b - Leeds City College Quarry Hill	Leeds	Jane Pither/Lydia Devenny	£33,400,000	£0	£10,045,152	£14,774,848	£4,316,649	£11,149,517	£15,466,166	GREEN	£5,884,682	£2,004,000	£0	£33,400,000	
Round 2b - Dewsbury Learning Quarter	Kirklees	Ian Webster	£15,121,218	£0	£3,367,457	£6,396,761	£3,974,614	£3,111,874	£7,086,488	AMBER	£667,273	£0	£0	£11,121,218	
Priority 2: Skilled People, Better Jobs			£84,287,320	£6,053,796	£30,118,737	£29,328,138	£8,578,088	£19,175,192	£27,753,279		£12,107,641	£2,154,000	£0	£78,187,454	
Resource Efficiency Fund	City Region	Sue Cooke	£720,000	£0	£0	£323,721	£160,635	£163,086	£323,721	GREEN	£251,163	£145,116	£0	£720,000	
Energy Accelerator	City Region	Jacqui Warren	£820,000	£0	£0	£490,986	£0	£20,000	£20,000	RED	£236,000	£192,000	£192,000	£640,000	
Leeds District Heat Network	Leeds	Neil Evans	£4,000,000	£0	£8,345	£4,867,923	£0	£0	£3,991,655	AMBER		£0	£0	£4,000,000	
Tackling Fuel Poverty	City Region	Liz Courtney	£6,000,000	£0	£781,414	£2,392,200	£800,642	£1,284,000	£2,084,642	GREEN	£3,208,194	£0	£0	£6,074,250	
Priority 3: Clean Energy and Economic Resilience			£11,540,000	£0	£789,759	£8,074,830	£961,277	£1,467,086	£6,420,018		£3,695,357	£337,116	£192,000	£11,434,251	
East Leeds Housing Growth - Red Hall	Leeds	Martin Farrington	£4,000,000	£2,000,000	£2,000,000	£0	£0	£0	£0	N/A	£0	£0	£0	£4,000,000	
East Leeds Housing Growth – Brownfield Sites	Leeds	Martin Farrington	£1,100,000	£0	£1,100,000	£0	£0	£0	£0	N/A	£0	£0	£0	£1,100,000	
Halifax Town Centre (Northgate House)	Calderdale	Mark Thompson	£1,300,000	£300,000	£0	£0	£0	£0	£0	N/A	£1,000,000	£0	£0	£1,300,000	
One, City Park, Bradford	Bradford	Steve Hartley	£5,200,000	£400,000	£0	£0	£0	£0	£0	N/A	£1,600,000	£2,200,000	£1,000,000	£5,200,000	
Barnsley Town Centre	Barnsley	David Shepherd	£1,757,000	£1,757,000	£0	£0	£0	£0	£0	N/A	£0	£0	£0	£1,757,000	
Kirklees Housing sites	Kirklees	Naz Parker	£1,000,000	£200,000	£205,000	£104,000	£0	£104,000	£104,000	GREEN	£191,000	£300,000	£0	£1,000,000	
Bath Road, Leeds	Leeds	Martin Farrington	£575,000	£580,000	£0	£0	£0	£0	£0	N/A	£0	£0	£0	£580,000	
Bradford Odeon	Bradford	Steve Hartley	£325,000	£0	£0	£0	£0	£0	£0	N/A	£325,000	£0	£0	£325,000	
Forge Lane, Kirklees	Kirklees	Paul Kemp	£4,620,000	£0	£0	£0	£0	£0	£0	N/A	£4,620,000	£0	£0	£4,620,000	
York Central	York	Neil Ferris	£2,550,000	£0	£1,421,500	£1,128,500	£618,598	£509,902	£1,128,500	GREEN	£0	£0	£0	£2,550,000	
Wakefield Civic Quarter	Wakefield	Andy Wallhead	£1,100,000	£0	£0	£1,085,000	£330,139	£744,861	£1,075,000	GREEN	£25,000	£0	£0	£1,100,000	
York Guildhall	York	Neil Ferris	£2,347,500	£0	£791,500	£1,556,000	£234,500	£1,321,500	£1,556,000	GREEN	£0	£0	£0	£2,347,500	
New Bolton Woods	Bradford	Shelagh O'Neill	pipeline	£0	£0	£0	£0	£195,000	£195,000	GREEN	£3,405,000	£0	£0	£3,600,000	
Beech Hill, Halifax	Calderdale	Kate Thompson	pipeline	£0	£0	£0	£0	£0	£0	GREEN	£0	£0	£0	£0	
Wakefield City Fields	Wakefield	Sarah Pearson	pipeline	£0	£0	£0	£0	£0	£0	GREEN	£0	£0	£0	£0	
Balance of available funding			pipeline	£0	£0	£0	£0	£0	£0	N/A	£6,105,435	£2,011,437	£3,032,587	£11,149,459	
Priority 4a: Housing and Regeneration			£25,874,500	£5,237,000	£5,518,000	£3,873,500	£1,183,237	£2,875,263	£4,058,500		£17,271,435	£4,511,437	£4,032,587	£40,628,959	
Transport		various	£120,291,825	£19,594,417	£27,521,495	£37,458,371	£11,111,215	£27,185,308	£38,296,523	N/A	£89,343,132	£180,908,254	£184,321,856	£539,985,677	
Priority 4b: Transport			£120,291,825	£19,594,417	£27,521,495	£37,458,371	£11,111,215	£27,185,308	£38,296,523		£90,187,565	£62,840,750	£42,459,250	£280,900,000	
Mytholmroyd Flood Alleviation (GD3)	Calderdale	Adrian Gill	£2,500,000	£0	£2,500,000	£0	£0	£0	£0	GREEN	£0	£0	£0	£2,500,000	
Leeds Flood Alleviation (GD3)	Leeds	Martin Farrington	£3,786,981	£0	£3,786,981	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£3,786,981	
Skipton Flood Alleviation (GD3)	Craven	Adrian Gill	£1,500,000	£0	£1,500,000	£0	£0	£0	£0	COMPLETE	£0	£0	£0	£1,500,000	
Priority 4c: Pipeline	TBC	Adrian Gill	pipeline			£2,000,000	£0	£2,600,000	£2,600,000	AMBER	£2,900,000	£6,700,000	£0	£12,200,000	
Priority 4c: Flood Resilience			£7,786,981	£0	£7,786,981	£2,000,000	£0	£2,600,000	£2,600,000		£2,900,000	£6,700,000	£0	£19,986,981	
Leeds Aire Valley EZ	Leeds	Martin Farrington	pipeline			£4,000,000	£0	£0	£0		£4,508,266	£0	£0	£4,508,266	
LCR EZs M62 sites	LCR	David Walmsley	pipeline				£0	£275,000	£275,000		£2,855,578	£10,130,578	£2,230,578	£15,491,734	
Priority 4d: Enterprise Zone						£4,000,000	£0	£275,000	£275,000	£0	£7,363,844	£10,130,578	£2,230,578	£20,000,000	
WYCA Delivery costs - non Tranport				£475,122	£765,373	£1,900,000	£0	£0	£1,900,000	N/A	£0	£0	£0	£3,140,495	
Total Growth Deal expenditure			£310,852,626	£38,021,077	£84,767,767	£100,154,776	£27,529,175	£62,167,862	£95,588,692		£142,116,595	£96,785,106	£59,070,902	£516,350,139	

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West Yorkshire Transport Fund pipeline

Figures accurate up to: Sep 2017

Project name	Project responsibility					Actual Spend to date September 2017	Forecast Spend October 17 to March 18	Total of actual and forecast		RAG rating	Future forecast spend			TOTAL spend (actual + forecast)
	Senior Responsible Officer	Approved (Development and Delivery combined)	Category	2015/16	2016/17						2018/19	2019/20	2020/21	
Transport Delivery Costs														
Priority 4b (WYTF) WYCA Delivery Costs	Melanie Corcoran	13,572,000	Development	1,654,577	1,652,280		1,382,847	1,382,847		GREEN	1,377,675	1,530,717	1,900,000	9,498,096
Transport projects at Stage 3 that are in delivery in 2017/18														-
Wakefield Eastern Relief Road	Neil Rogers	37,593,000	Development							COMPLETE				1,599,000
			Delivery	15,284,765	14,435,236	3,058,296	1,815,986	4,874,282		COMPLETE				35,294,283
Aire Valley, Leeds Integrated Transport Package - Phase 1: Aire Valley P&R	Gary Bartlett	9,597,000	Development	277,672	245,500	-		-		COMPLETE	-	-	-	792,172
			Delivery	-	5,459,649	1,779,108	1,119,616	2,898,724			547,528	-	-	8,905,901
Wakefield City Centre Package Phase 1 Kirkgate	Neil Rogers	5,556,000	Development	72,878	76,972	-		-		GREEN		-	-	149,850
			Delivery	-	-	1,628,534	2,387,590	4,016,124			822,042	-	-	4,838,166
South Elmsall Rail Car Parking Extension	Melanie Corcoran	670,000	Development			-		-		GREEN				-
			Delivery			72,811	420,000	492,811			-			492,811
A629 Phase 1a: Jubilee Road to Free School Lane & monitoring	Mark Thompson	8,156,655	Development	160,000	1,442,043			-		GREEN	-	-	-	1,904,043
			Delivery	-	-	1,180,702	2,839,497	4,020,199		GREEN	1,601,239	-	-	5,621,438
Rail Parking Programme - Fitzwilliam	Melanie Corcoran	676,926	Development			2,444		2,444		GREEN				2,444
			Delivery			17,633	447,920	465,553			204,995			670,548
Rail Parking Package - Hebden Bridge	Melanie Corcoran	626,200	Development			-		-		AMBER				-
			Delivery			-	291,000	291,000			324,000			615,000
Transport projects at Stage 2 that will commence in 2017/18														0
Leeds Station Gateway - New station Street	Liz Hunter	166,037	Development	-	41,036		72,291	72,291		RED	18,999	-	-	132,326
			Delivery	-	-	-	591,000	591,000			1,284,630	-	-	1,875,630
Leeds ELOR and North Leeds Outer Ring Road	Gary Bartlett	11,810,000	Development	929,199	1,554,106	668,130		668,130		AMBER	1,000,000	1,000,000	750,000	6,921,435
			Delivery	-	-	-	4,296,819	4,296,819			10,587,000	25,131,500	31,431,500	71,446,819
UTMC (formerly HNEP)	Richard Hadfield (Kirklees)	280,000	Development	-	29,011	29,300	90,000	119,300		RED	70,000	-	-	218,311
			Delivery	-	-	-		-			400,000	1,200,000	2,750,000	4,350,000
Rail Parking Package - Mytholmroyd	Melanie Corcoran		Development	-	-	-		-		GREEN	-	-	-	-
			Delivery	-	-	-	20,000	20,000			2,413,333	1,206,667	-	3,640,000
Rail Parking Package - Shipley	Melanie Corcoran		Development	-	-	-		-		RED	-	-	-	-
			Delivery	-	-	-		-			1,275,000	2,550,000	-	3,825,000
Rail Parking Package - Steeton and Silsden	Melanie Corcoran		Development	-	-	-		-		RED	-	-	-	-
			Delivery	-	-	-	200,000	200,000			2,330,000	-	-	2,530,000
Rail Parking Package - Mirfield	Melanie Corcoran		Development	-	-	-		-		AMBER	-	-	-	-
			Delivery	-	-	-	445,000	445,000			1,245,000	-	-	1,690,000
Rail Parking Package - Normanton	Melanie Corcoran		Development	-	-	-		-		GREEN	-	-	-	-
			Delivery	-	-	-	440,000	440,000			1,000,000	-	-	1,440,000
Transport projects at Stage 2 that will commence post 2017/18														
Bradford Interchange Station Gateway	Julian Jackson	80,000	Development	25,000	20,838	34,162		34,162		GREEN	0	0	0	80,000
			Delivery	-	-	-		-			-	-	14,305,000	14,305,000
Bradford FS Station Gateway	Julian Jackson	3,885,314	Development	20,000	116,717	30,271	728,633	758,904		GREEN	1,189,000	-	-	2,084,621
			Delivery	-	-	-		-			12,856,853	-	-	12,856,853
A650 Tong Street	Julian Jackson	185,000	Development	-	21,038	8,220	86,160	94,380		AMBER	19,582	-	-	185,000
			Delivery	-	-	-		-			-	10,000,000	8,000,000	18,000,000
SE Bradford Access Rd	Julian Jackson	91,000	Development	-	-	8,067	78,500	86,567		GREEN	-	-	-	86,567
			Delivery	-	-	-		-			-	-	-	-
Bradford to Shipley Corridor	Julian Jackson	341,000	Development	30,000	5,011	6,681	84,350	91,031		RED	229,081	-	-	355,123
			Delivery	-	-	-		-			-	13,000,000	14,000,000	27,000,000
A650 Hard Ings Road - Phase 1: Hard Ings Road Only	Julian Jackson	764,000	Development	137,628	301,133	147,765	47,927	195,692		RED	-	-	-	774,453
		-	Delivery	-	-	-		-			4,415,000	3,257,235	-	7,672,235
Harrogate Road / New Line	Julian Jackson	1,300,000	Development	146,399	15,601	367,495	252,000	619,495		RED	154,000	-	-	1,101,495
			Delivery	-	-	-		-			1,901,000	1,732,740	-	3,633,740
Halifax Station Gateway	Mark Thomson	315,000	Development	156,738	44,171	-	111,677	111,677		GREEN	-	-	-	317,586
			Delivery	-	-	-		-			-	-	7,483,848	7,483,848
A641 Bradford - Huddersfield Corridor	Mark Thomson	100,000	Development	-	60,829	31,437	39,171	70,608		AMBER	-	-	-	131,437
			Delivery	-	-	-		-			-	-	-	-
A629 Phase 1b: Elland Wood Bottom to Jubilee Road	Mark Thomson	1,125,394	Development	169,994	198,719	180,835	635,682	816,517		GREEN	-	-	-	1,185,230
		-	Delivery	-	-	-		-			8,552,565	5,340,349	-	13,892,914

A629 Phase 2: Phase 2a, 2b and 2c	Mark Thomson	3,016,000	Development	44,591	280,192	457,183	1,614,886	2,072,069	AMBER	-	-	-	2,736,852
			Delivery	-	-	-		-		8,578,039	11,883,471	13,474,071	33,935,581
A629 Phase 4: Ainley Top	Mark Thomson	75,000	Development	-	51,736	22,325	939	23,264	GREEN	-	-	-	75,000
			Delivery	-	-	-		-		-	-	-	-
Huddersfield Station Gateway	Richard Hadfield	79,886	Development	27,615	22,385	2,440		2,440	AMBER	-	-	-	52,440
			Delivery	-	-	-		-		-	5,000,000	-	5,000,000
A653 Leeds to Dewsbury Corridor (M2D2L)	Richard Hadfield	210,000	Development	-	59,261	16,750	26,000	42,750	AMBER	-	-	-	182,011
			Delivery	-	-	-		-		2,000,000	10,500,000	-	12,500,000
M62 Junction 24a	Richard Hadfield	70,000	Development	-	12,976	24,370	32,654	57,024	AMBER	-	-	-	70,000
			Delivery	-	-	-		-		-	18,500,000	-	18,500,000
A629 Phase 5 - Ainley Top into Huddersfield	Richard Hadfield	302,000	Development	52,000	48,000	127,120	74,516	201,636	GREEN	-	-	-	301,636
			Delivery	-	-	-		-		-	798,000	8,600,000	9,398,000
A62 and A644 Corridors incorporating Cooper bridge	Richard Hadfield	500,000	Development	110,000	15,000	-		-	AMBER	-	-	-	610,000
		-	Delivery	-	-	-		-		-	2,250,000	8,750,000	11,000,000
Leeds Station - Yorkshire Hub	Liz Hunter	400,000	Development	-	108,936	32,049		32,049	GREEN	203,860	-	-	344,845
			Delivery	-	-	-		-		-	-	-	-
Thorpe Park Station	Liz Hunter	500,000	Development	-	3,382	59,263	130,997	190,260	GREEN	269,294	-	-	462,936
			Delivery	-	-	-		-		-	-	5,000,000	5,000,000
A65-LBIA Link Road	Gary Bartlett	810,000	Development	8,688	266,812	133,493	191,013	324,506	GREEN	-	-	-	810,006
			Delivery	-	-	-		-		1,597,239	1,722,799	2,469,603	5,789,641
A6110 Leeds Outer Ring Rd	Gary Bartlett	268,000	Development	-	-	3,301	282,699	286,000	AMBER	-	-	-	286,000
			Delivery	-	-	-		-		-	-	-	-
Leeds City Centre Network and Interchange Package	Gary Bartlett	3,455,000	Development	31,337	278,000	161,388	766,833	928,221	AMBER	979,678	1,033,776	126,749	3,696,761
			Delivery	-	-	-		-		-	-	5,340,672	5,340,672
Castleford Station Gateway	Kate Thompson	21,000	Development	-	20,329	-	671	671	GREEN	-	-	-	21,000
			Delivery	-	-	-		-		1,485,000	1,485,000	730,000	3,700,000
Wakefield City Centre Package Phase 2 Ings Road	Neil Rogers	270,000	Development	-	-	10,683	120,317	131,000	GREEN	139,000	-	-	270,000
			Delivery	-	-	-		-		-	1,540,000	1,205,863	2,745,863
Glasshoughton Southern Link Road	Neil Rogers	723,000	Development	80,000	-	227,733	222,381	450,114	GREEN	245,000	-	-	775,114
			Delivery	-	-	-		-		1,300,000	2,492,000	2,479,113	6,271,113
Castleford Growth Corridor Scheme	Neil Rogers	200,000	Development	67,000	73,917	-	40,880	40,880	AMBER	19,000	-	-	200,797
			Delivery	-	-	-		-		2,450,000	1,000,000	8,990,000	12,440,000
CIP - Phase 1 - Leeds Fink Hill	Gary Bartlett	115,000	Development	-	-	-	60,000	60,000	GREEN	30,000	-	-	90,000
			Delivery	-	-	-		-		770,000	65,000	-	835,000
CIP - Phase 1 - Leeds Dyneley Arms	Gary Bartlett	402,000	Development	-	-	-	150,000	150,000	GREEN	252,000	-	-	402,000
			Delivery	-	-	-		-		1,498,000	6,000,000	100,000	7,598,000
CIP - Phase 1 - Leeds Dawsons Corner	Gary Bartlett	1,008,000	Development	-	-	-	600,000	600,000	AMBER	408,000	-	-	1,008,000
			Delivery	-	-	-		-		1,911,000	6,205,000	5,876,000	13,992,000
CIP - Phase 1 - Kirklees Holmfirth Town Centre	Richard Hadfield	250,000	Development	-	-	58,624	41,376	100,000	GREEN	150,000	-	-	250,000
			Delivery	-	-	-		-		200,000	500,000	3,800,000	4,500,000
CIP - Phase 1 - Kirklees Huddersfield Southern Gateways	Richard Hadfield	300,000	Development	-	-	90,819	59,181	150,000	GREEN	148,000	-	-	298,000
			Delivery	-	-	-		-		-	1,270,000	6,330,000	7,600,000
CIP - Phase 1 - Kirklees A62 Smart Corridor	Richard Hadfield	250,000	Development	-	13,500	27,000		27,000	GREEN	100,000	-	-	140,500
			Delivery	-	-	-		-		100,000	6,750,000	-	6,850,000
CIP - Phase 1 - Calderdale A58/A672 Corridor	Mark Thompson	235,000	Development	-	-	-	232,063	232,063	AMBER	-	-	-	232,063
			Delivery	-	-	-		-		-	-	-	-
CIP - Phase 1 - Calderdale A646/A6033 Corridor	Mark Thompson	195,000	Development	-	-	1,984	193,016	195,000	AMBER	-	-	-	195,000
			Delivery	-	-	-		-		-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Thornton Road	Julian Jackson	440,000	Development	-	-	-		-	AMBER	-	-	-	-
			Delivery	-	-	-		-		-	-	-	-
CIP - Phase 1 - Bradford A6177 ORR/Toller Lane	Julian Jackson	308,000	Development	-	-	2,181	222,819	225,000	AMBER	-	-	-	225,000
			Delivery	-	-	-		-		850,000	6,200,000	1,225,000	8,275,000
CIP - Phase 1 - Bradford A6177 ORR/Great Horton Road	Julian Jackson	220,000	Development	-	-	8,663	171,337	180,000	AMBER	-	-	-	180,000
			Delivery	-	-	-		-		500,000	1,500,000	320,000	2,320,000
CIP - Phase 1 - Wakefield A650 Newton Bar	Neil Rogers	75,000	Development	-	-	4,583	62,418	67,000	GREEN	6,000	-	-	73,000
			Delivery	-	-	-	11,000	11,000		23,160	2,508,500	-	2,542,660
Rail Park and Ride (Phase 1) Programme	Melanie Corcoran	996,306	Development	108,336	409,181	10,799	501,308	512,107	GREEN	-	-	-	1,088,532
			Delivery	-	-	-		-		-	-	-	-
Rail Parking Package - Knottingley	Melanie Corcoran	474,259	Development	-	-	-		-	AMBER	-	-	-	-
			Delivery	-	-	-		-		1,305,741	-	-	1,305,741
Rail Park and Ride (Phase 2) Programme	Melanie Corcoran	138,000	Development	-	137,997	-		-	GREEN	-	-	-	137,997
			Delivery	-	-	-		-		-	-	-	-
Rail Park & Ride (Phase 2) - Apperley Bridge	Melanie Corcoran	113,100	Development	-	-	-	113,100	113,100	AMBER	-	-	-	113,100
			Delivery	-	-	-		-		-	-	-	-

Rail Park & Ride (Phase 2) - Guiseley	Melanie Corcoran	143,000	Development	-	-	-	143,000	143,000	AMBER	-	-	-	143,000
			Delivery	-	-	-		-		-	-	-	-
Rail Park & Ride (Phase 2) - Moorthorpe	Melanie Corcoran	110,500	Development	-	-	-	110,500	110,500	AMBER	-	-	-	110,500
			Delivery	-	-	-		-		-	-	-	-
Rail Park & Ride (Phase 2) - Outwood	Melanie Corcoran	110,500	Development	-	-	-	110,500	110,500	AMBER	-	-	-	110,500
			Delivery	-	-	-		-		-	-	-	-
Calder Valley Line Elland Station	Mark Thompson	834,748	Development	-	-	-	141,813	141,813	GREEN	359,137	-	-	500,950
			Delivery	-	-	-		-		-	-	-	-
York Central Access	Neil Ferris	2,100,000	Development	-	-	57,673	872,327	930,000	AMBER	770,000	339,500	60,625	2,100,125
			Delivery	-	-	-		-		931,462	15,692,000	17,016,812	33,640,274
York Northern Outer Ring Road	Neil Ferris	2,448,000	Development	-	-	308,901	731,099	1,040,000	GREEN	566,000	624,000	220,000	2,450,000
			Delivery	-	-	-		-		3,085,000	9,000,000	11,429,000	23,514,000
Corridor Improvement Programme (formerly HEBP)	Melanie Corcoran	408,000	Development	-	-	-	50,000	50,000	GREEN	100,000	100,000	158,000	408,000
			Delivery	-	-	-		-				-	-
Transformational -South Featherstone Link Rd - Feasibility Study	Neil Rogers	284,000	Development	-	-	-		-	GREEN	-	-	-	-
			Delivery	-	-	-		-		-	-	-	-
Transformational - Kirklees - North Kirklees Orbital Route - Feasibility Study	Richard Hadfield	248,000	Development	-	-	10,000	80,000	90,000	GREEN	-	-	-	90,000
			Delivery	-	-	-		-		-	-	-	-
Transformational -York Northern Outer Ring Road Dualling- Feasibility Study	Neil Ferris	295,000	Development	-	-	-	100,000	100,000	GREEN	195,000	-	-	295,000
			Delivery	-	-	-		-		-	-	-	-
Development inc Management costs		120,291,825		4,309,652	7,626,609	3,374,132	11,859,880	15,234,012		8,998,306	4,627,993	3,215,374	49,055,854
Delivery		-		15,284,765	19,894,885	7,737,084	15,325,428	23,062,512		80,344,826	176,280,261	181,106,482	496,673,731
Total Transport		120,291,825		19,594,417	27,521,495	11,111,215	27,185,308	38,296,523		89,343,132	180,908,254	184,321,856	545,729,585
												Less Prior Year spend	5,743,908.0
												Growth Deal total	539,985,676.7

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Director: Melanie Corcoran,
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Report to: West Yorkshire and York Investment Committee

Date: 9 November 2017

Subject: WYCA Capital Programme Update

1. Purpose

- 1.1. The purpose of this report is to provide an overview of the West Yorkshire Combined Authority's (WYCA) programme of capital expenditure. This report details each funding stream, the management processes and any requirements in terms of spend and achievement of the funding bodies. The report also provides highlights of progress.
- 1.2. The report seeks consideration of future monitoring and reporting of the WYCA capital programme.

2. WYCA Capital Programme

- 2.1. The table below details all non-Growth Deal capital funding streams included in the WYCA Capital Programme 2017/18. It should be noted that this includes additional funding streams awarded to WYCA after the Capital Programme was approved by the Combined Authority at its meeting on 2 February 2017. The table includes expected income, forecast expenditure and expenditure incurred as at end September 2017.

	Capital Funding Programme	Income 2017/18	Forecast Expenditure 2017/18	Expenditure to end Sept 2017
1	Growth Deal	£72,228,329	£100,150,000	£27,529,175
2	Leeds Public Transport Investment Fund (LPTIP)	£21,000,000	£4,948,000	£0
3	Local Transport Plan Integrated Transport Block	£13,100,000	£13,100,000	£5,166,622
	Local Transport Plan Integrated Transport Block c/f from 2016/17	£780,000	£780,000	£0
	Highways Maintenance Block	£25,970,000	£25,970,000	£6,494,000
	Highways Maintenance Incentive Fund	£2,500,000	£2,500,000	£625,000
	Pothole Action Fund	£2,230,000	£2,230,000	£1,116,000
	National Productivity Investment Fund (NPIF)	£6,930,000	£6,930,000	£1,327,000
4	DFT Cycle City Ambition Grant (CCAG)	£9,873,000	£13,940,000	£191,955
	WY Cycling and Walking Fund	£1,500,000	£1,500,000	£144,367
5	ULEV	£495,000	£175,000	£3,938
6	Broadband UK (BDUK)	£2,967,956		
	European Regional Development Fund	£2,967,956	£6,315,913	£985,459
7	Growing Places Fund	£0	£800,000	£0
	Total	£162,542,241	£179,338,913	£43,583,516

It should be noted that public sector spend is often weighted towards year end. There are a variety of reasons for this including that claims from partners and invoices are paid in arrears. The funding streams and the projects/programmes they support are summarised in Section 3 below.

3. Projects and Programmes

3.1. The funding received by WYCA have been grouped into categories to allow ease of reporting.

1. Growth Deal – Regular update provided in a separate report.

2. Leeds Public Transport Investment Fund (LPTIP)

The LPTIP was developed because of the government decision not to grant powers for the construction of the Leeds New Generation Transport (NGT) trolleybus system. The Department for Transport recognised the need for further investment in public transport in the region and on 21 April 2017 approved the funding of £173.5m for public transport improvements in Leeds. These funds have been devolved to WYCA to work in partnership with Leeds City Council, WYCA is the accountable body and all of the projects and programmes arising from this package will follow the WYCA assurance process. These schemes must be substantially complete by March 2021. The packages identified in the initial business case are:-

- Bus priority corridors
- Bus Park and Ride
- City Centre Gateways
- Rail
- Bus transformation
- Mass transit

In addition to this the bus operators will be investing £70m in the upgrade of their fleet of vehicles.

In addition to the £173.5m from DfT, there is £8.8m match from Leeds City Council and £0.966m from WYCA.

In June 2017 Investment committee approved £15.3m of development funding to advance the packages as outlined above. This will be delivered either directly by WYCA projects team or by Leeds City Council by way of a funding agreement.

At this stage the DfT do not require that the annual allocation is spent in year, the main requirement is that the full programme should be delivered by March 2021.

3. Local transport Capital Funding: Integrated Transport Block, Highways Maintenance need element, Highways Maintenance Incentive element and Pothole Action Fund; plus National Productivity Investment Fund (NPIF)

The Department for Transport (DfT) provides capital funding for local transport programmes from a number of different funding grants, for which WYCA is the

accountable body in West Yorkshire and funding is allocation and paid to WYCA. These programmes and grants are outlined below:

- *Integrated Transport:* Integrated Transport Block (IT) provides funding support to local authorities to deliver smaller scale improvements to transport networks and facilities, to be spent at local discretion. Annual funding allocations are usually confirmed for a 3 year period, and confirmed funding for 2017/18 and indicative allocations for 2018/19 and 2019/20 of £13.1m per annum.

IT funding is used to deliver the Local Transport Plan (LTP) Implementation Plan 3 (IP3) programme which is the first of the five year Implementation Plans that are proposed to deliver the recently adopted West Yorkshire Transport Strategy 2040.

The IP3 programme was developed with input from Transport Committee and approved by WYCA in April 2017, with endorsement from Transport Committee – with a detailed programme identified for the first two years (2017/18 and 2018/19) and indicative allocations for the final three years.

WYCA has the responsibility for distributing IT funding to the District Councils to deliver projects and programmes included in IP3 for which they have responsibility. In order to do this a mechanism has been established to make payments to Districts during the year that reflects the planned delivery of the Integrated Transport Block funded programme.

- *Highways Maintenance needs based element:* Highways Maintenance (HM) block funding is provided to local authorities for maintenance of the local road network. The “needs based” allocations are determined on the basis of a formula that assesses road lengths, number of bridges that require maintenance and strengthening, and street lighting columns relating to local authority road networks. This funding is distributed to West Yorkshire District Councils to deliver their identified highways maintenance programmes, in line with DfT’s formulaic allocations.
- *Highways Maintenance incentive element:* In December 2014, DfT announced a Highway Maintenance Incentive Fund to reward councils who demonstrate they are delivering value for money in carrying out cost effective improvements. This is determined on the basis of self-assessment questionnaire assessing their asset management regime against set criteria. West Yorkshire Local Authorities have all achieved Band 3 status, the highest possible.
- *Pothole Action Fund:* DfT announced the creation of the Pothole Action Fund in 2016 and confirmed funding for 2017/18 to be paid to WYCA in March 2017. In 2016/17 Pothole Action Fund funding was paid directly to

Districts but following a change to DfT arrangements, this is now paid to WYCA to distribute to Districts.

WYCA is required to certify to DfT the level of spend of the local transport grants detailed above on an annual basis, but do not require funding to be returned if not spent in year.

National Productivity Investment Fund (NPIF): In addition to the Local Transport funding detailed above, the Government announced a new National Productivity Investment Fund (NPIF) in the Autumn Statement 2016, as additional funding for transport and other sectors that are key to boosting productivity. This is a separate fund to the Northern Powerhouse Investment Fund (also NPIF) which is managed by the British Business Bank in collaboration with Local Enterprise Partnerships in the North, to provide commercially-focussed finance products to businesses.

In January 2017, DfT confirmed that an initial round of £185 million of the NPIF would be allocated to local authorities to improve local road networks and public transport in 2017/18, with £6.925m made available for West Yorkshire Combined Authority, based on a formulaic approach.

This funding is being alongside the IT block funding to deliver the IP3 programme, as well as a discretionary element for partners to spend on additional schemes that meet the fund's objectives, with a focus on improving the efficiency and resilience of our highways networks against surface water flooding, and our public transport services.

As part of the requirements for the funding, WYCA published a list of schemes that will be delivered with NPIF funding in 2017/18, and it is expected that NPIF funding will be spent in year in line with the published programme.

In addition to the 2017/18 allocation, NPIF funding for the period 2018 - 2020 is being granted on the basis of a competitive bidding process which was open from April to June 2017, for submissions made by local highways authorities (i.e. in West Yorkshire, the WY District partners) and with WYCA playing a role in co-ordinating and ranking bids.

Bids were submitted by Bradford, Calderdale, Kirklees, and Leeds Council; Wakefield Council did not submit a bid. In October 2017, Government announced that the bids from Bradford, Calderdale and Leeds Council had been successful, with £12m funding secured in total from the Department for Transport.

4. Cycle City Ambition Fund (CCAG) / West Yorkshire Cycling and Walking Fund

In August 2013 West Yorkshire was awarded £18.05m CCAG funding to deliver a package of cycling infrastructure and engagement activities across Leeds and Bradford, including a 23km Leeds – Bradford Cycle Superhighway, Canal Towpath improvements and area wide 20mph zones. This was supported by local match

funding of £10.89m.

This first phase of the programme was split into eight projects and work has progressed well on each of these over the last 3 years, with the infrastructure projects largely completed by the end of 2016.

In March 2015 an additional £22.11m CCAG funding was announced for West Yorkshire to deliver a further transformational package of cycling infrastructure, along with further local match funding of £8.17m. This phase includes projects in each of the West Yorkshire districts and York, along with additional engagement and encouragement activities as well as a package of monitoring and evaluation. The second phase projects are on track to be completed by late 2018.

In January 2017 a further £1.5m was awarded by DfT from the Cycling and Walking to Work Grant. WYCA, through the CityConnect Communications and Engagement project, has developed a series of initiatives to enable people to overcome transport barriers and access employment and training. This includes working with communities and businesses to increase numbers of people travelling to work by bike or on foot.

The programme level objectives are common for both phases:

- To increase walking and cycling so that it becomes part of a residents' healthy living plan
- To make cycling a natural and popular choice for short journeys
- To make cycling accessible to all low income and vulnerable groups
- To improve access to employment, skills and education
- To reduce CO2 and improve local air quality; and
- Create a safe and attractive environment for active travel modes

Current Position - Four projects have been formally approved to progress to construction phase: Leeds City Centre; Bradford Canal Road; Wakefield Phase 1; Canals (4 schemes). The remaining projects form a reserve list and work continues to prioritise those schemes to be delivered with the remaining funding for the programme. Alternative funding streams are also being explored as the available funding is insufficient to deliver the full ambition. Options will be considered and presented to the Project Appraisal Panel for recommended approach by end of October with Transport Committee/MD delegated approval by end of November. A table of projects is included as **Appendix 1**.

5. Ultra Low Emissions Vehicles

This project seeks to improve air quality, by funding and installing up to 88 rapid charge points for sole use by taxi and private hire operators in West Yorkshire. This will remove one of the main barriers that has been identified to uptake of Ultra-Low Emission Vehicles (ULEVs) by taxi and private hire operators. Collectively, the five authorities have agreed to deliver the following additional mechanisms to support ULEV uptake, that are considered to be outside of the scope of this charging point project:

- Implementation of the Leeds Clean Air Zone by 2020.
- Demonstration of the benefits of ULEVs to the taxi and PH trade
- District licensing hackney incentives to promote ULEV uptake.

The Secretary of State for Transport has awarded West Yorkshire Combined Authority (WYCA) a capital grant of up to £1.98m to deliver its Ultra-low Emission Vehicle (ULEV) Taxi Infrastructure proposals. WYCA is named as delivery lead, and financial accountable body for the Office for Low Emission Vehicles (OLEV) grant funding. The funding is available to WYCA until 31 March 2020.

OLEV will fund up to 75% of the cost of a rapid charge point, with the funding capped at £22.5k. If costs are significantly higher, for example in relation to electricity connection costs, this can be discussed with OLEV on a case-by-case basis. WYCA has indicatively allocated £1.2m match funding from the Local Transport Plan.

The charge points must remain in operation on a pay-as-you-go basis for taxi drivers for at least three years after installation. There is no revenue funding allocated to this project, so any charge point provider must cover the operating costs using the income from the taxi drivers.

An 'Inception Report' has been considered by the West Yorkshire Chief Highways Officers, who have recommended further work on project risks by an appointed sub-group.

6. Broadband UK (BDUK) and European Regional Development Fund (ERDF)

The West Yorkshire and York (WY&Y) Broadband programme uses public sector funds to incentivise BT Openreach to deploy superfast broadband infrastructure to geographies in WY&Y where they would not go on a purely commercial basis. The funding is a combination of UK government contributions BDUK, ERDF and contributions from WY&Y local authorities.

The first contract with BT was signed in 2013 and its subsequent deployment of fibre infrastructure by BT Openreach is complete. The participating WY authorities in Contract 1 were Leeds, Bradford, Calderdale and Wakefield. This achieved over 90% access to superfast broadband in the region, more than 65,000 business and residential premises were given access to superfast broadband and the project was considered by BDUK to be in the top two nationally for good value-for-money. Contract 2 with BT, signed in June 2015, also included Kirklees and York. The first phase of the contract is underway and is expected to deliver 98% access to superfast broadband to 30,000 more premises across WY&Y by 2020 – very close to the 100% ambition in the LCR Strategic Economic Plan. The second phase of deployment is currently being modelled by Openreach. Contract 2 is capital funded from BDUK (£6.89m), ERDF (£6.89m), and from Contract 1 BT underspend (£2.551m of efficiency savings).

7. Growing Places Fund

In 2011/12 the Leeds City Region Enterprise Partnership (the LEP) received

£36.23m from the UK Government Growing Places Fund to provide a grants and loans fund, with the emphasis on creating a revolving loans facility. The initial purpose of the funding was to release stalled infrastructure projects but this has developed over the years. There were initially two calls for applications through the scheme which is now open to applications subject to the availability of monies. The loans are used by the private sector to acquire or upgrade physical assets such as property, industrial buildings or equipment. A frequent purpose for a loan is to complete the costly infrastructure works required to make a brownfield site commercially viable. The fund accelerates economic growth by delivering new jobs, removing barriers to development or using resources more efficiently. Loans were offered for capital projects on a 'no fee' basis at interest rates that comply with State Aid regulations.

Typically loans have been made where mainstream finance could not be obtained or the financial market would not lend the full amount required to enable a project to go forward. This meant the Fund's loans carried higher risks than a commercial lending bank would accept, and whilst the loans were justified in terms of strategic gain for the Region, it was anticipated a proportion of loans would fail.

Currently just under £30m has been drawn down through loans against which £5.9m of capital and £1.3m of interest has already been repaid. Whilst capital repayments are available for future projects the interest is built into the WYCA base budget assumptions.

Regular monitoring of projects confirms as a result of these investments currently 81 hectares of land has been regenerated, 371 new homes have been built (plus a further 47 affordable homes), 141 jobs and 33 apprenticeships have been created or safeguarded and close to a billion pounds of additional investment has been unlocked. These outputs will continue to grow.

The fund is open to all businesses and organisations of any size based in or looking to invest in the city region. Annual expenditure relates to the drawdown of approved loans.

- 3.2. An update is provided on the spend and performance of the Growth Deal at each Investment Committee. It is not proposed that this should be the case for the other funding streams as in general the requirements of the funding bodies are less rigorous in relation to achievement of spend and represent a lower risk than is involved in the Growth Deal. It is therefore proposed that a report on the full programme should be undertaken every six months providing progress mid-year and after financial year end, with an interim report in March setting out expected outturn. Reports on individual funding streams or programmes will be submitted by exception as required.

4. Financial Implications

- 4.1. A key area of consideration for the WYCA Capital Programme is the risk of loss funding where the requirements of the funding bodies are not achieved either through underspend or underperformance. In practice all programmes included within this report are rated at low risk.
- 4.2. The risk of not achieving spend levels is managed on a programme by programme basis in agreement with the funding bodies. It is important to ensure that funding bodies are fully aware of the progress of projects and programmes and agree to any re-profile of expenditure.

5. Legal Implications

- 5.1. There are none arising directly from this report.

6. Staffing Implications

- 6.1. There are none arising directly from this report.

7. Recommendations

- 7.1. It is recommended that the Investment Committee notes the summary of the WYCA Capital Programme and agrees that a report on the Programme will be received three times a year at mid-term, in March outlining projected outturn and after the end of the financial year.

8. Background Documents

- 8.1. None.

Director: Melanie Corcoran,
Director of Delivery
Author: Melanie Corcoran



Report to: West Yorkshire and York Investment Committee

Date: 9 November 2017

Subject: Working with Network Rail

1. Purpose

- 1.1. To set out current issues and update the Committee on the progress being made towards more effective partnership working with Network Rail.

2. Background

- 2.1 We have a number of projects/programmes in the West Yorkshire plus Transport Fund (WY+TF), the Leeds Public Transport Investment Programme (LPTIP) and previous schemes in the Local Transport Plan (LTP) where Network Rail have an interest or involvement in the scheme. These projects and programmes fall into four main categories:

- Rail Park and Ride Programme Phase 1- which involves the extension of car parking provision at key commuter stations (there are 17 stations included in Phase 1) across West Yorkshire on land which is owned by Network Rail, Councils, or in a few cases third party ownership;
- Station Gateway improvements- this involves improving the frontage and entrance to key railway stations and often involves improvements in public realm and connection to the city/town centre. The stations currently included in the programme are Leeds, Huddersfield, Bradford Forster Square, Bradford Interchange, Halifax and Castleford;

The aim of both of these programmes is to increase rail patronage, reduce the number of vehicles on the roads, and reduce localised congestion;

- Masterplanning- Leeds Integrated Transport Masterplan- working jointly with partners to develop a masterplan for the Leeds station for the medium term to incorporate a traditional rail station and HS2 station. York Central- masterplanning of a major regeneration site adjacent to York Station;

- New rail stations- there are four new rail stations proposed in our region at Elland, Millshaw (White Rose), Thorpe Park and the Leeds Bradford Airport Parkway. This will require developing robust business cases for these schemes, designing and building the stations, and securing train services. This is in addition to three stations which have opened in the last 18 months at Apperley Bridge, Kirkstall Forge and Low Moor, and the new southern station entrance to Leeds station - we are currently working through legacy issues with Network Rail on these schemes.

2.2 There have been a number of delays to Growth Deal projects which require approvals from, or agreements with, Network Rail. As reported to Investment Committee on 6 September 2017 a number of these projects have now been RAG rated red. The Committee agreed to invite a senior Network Rail representative to attend the meeting of the Investment Committee on 9 November 2017.

3. Issues

- We see Network Rail as a key partner in growing our region and improving transport infrastructure. We welcome Network Rail's involvement in helping us shape our plans and working with us to deliver key projects and programmes and we would like to develop our partnership further.
- Where we have projects such as masterplanning for Leeds station and the station Gateway schemes the involvement of Network Rail in providing technical expertise in these discussions to shape the improvements has been very much welcomed in schemes such as the Leeds Integrated Transport masterplan, Bradford Forster Square and Halifax station discussions. Network Rail is trying to innovate/ change their approach to Station Gateway schemes by narrowing the area within the rail "red line footprint" to enable alternative contracting arrangements for public realm areas which fall outside the red line.
- When we work with Network Rail on the delivery of schemes, such as car park extensions or Leeds New Station Street entrance improvements we have faced significant delays in delivery and gaining agreements to access Network Rail land and/or the approval of plans/designs. Decision making has been protracted and it has typically taken 12-16 weeks to gain approvals for Basic Asset Protection Agreements (BAPAs) to be issued for station Car Parks. While the BAPA is a standard template there have been delays over the agreement of specific clauses which once agreed should help to speed up the sign off process. It has also taken approximately four months to agree a contracting route for the designs of the Leeds New Station Street entrance improvements. This delay has resulted in projects exceeding their tolerances and some projects being flagged as red.

- Our contracting arrangements make it difficult for us to work effectively in partnership as Network Rail insist on emerging cost contracts rather than fixed price contracts. Costs invariably go up over which we have little warning, and no provision or approval for this. We currently have a number of legacy schemes which have completed work on site but accounts are still being finalised.
- We also have other costs that have been incurred during the delivery of schemes such as the Wakefield Eastern Relief Road (WERR). Wakefield Council were required to pay costs of £1m for a dedication agreement for access under the rail bridge to enable the completion of the scheme. The land dedication agreement was based on securing “shared value” from the uplift of surrounding land for housing and employment uses. The Council had tight timescales to resolve the issue and were not able to enter into protracted discussions with Network Rail to resolve this satisfactorily. The cost of this land was met from the project costs (from WY+TF) and has contributed to the costs of the project going above the original allocation.

4. Steps taken to address the issues

4.1 It is in everyone’s interest to have an open and true partnership approach with Network Rail to ensure that delivery is achieved in a timely and cost effective manner. The following steps have been taken to improve this partnership approach:

- We have established quarterly update/review meetings between the Managing Director, WYCA and the Route Managing Director, LNE&EM, Network Rail. (The Director of Property, Network Rail also attended a recent meeting to explain that the “shared value” principle is a national policy that Network Rail must comply with);
- We have bi-monthly meetings with the Director of Delivery, WYCA and the Director of Route Sponsorship, LNE&EM, Network Rail;
- We are in the process of establishing joint Control Rooms on projects. This means we will jointly prepare update reports and report on progress to both WYCA and Network Rail leadership at the same time and on a regular basis. We set out clear actions and who is responsible for the delivery of each action. This will ensure we get consistent reports/updates on projects and an early warning on anticipated delays and how to deal with them;
- We have established a joint weekly update report on schemes;
- We have appointed an interim resource dedicated to concluding outstanding issues on legacy schemes;

- We are planning to hold a joint WYCA/Network Rail officer workshop in the New Year to discuss new ways of contracting on the design and delivery of schemes;
- The Director of Deliver, WYCA attended a 'meet the leadership' event on 16 October 2017 with Network Rail to discuss current barriers to working effectively together. This has raised operational issues with senior and middle managers in Network Rail;
- The Managing Director, WYCA met with the Director of Stations, Network Rail and will be seeking a further meeting to discuss issues further.

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. It is recommended that the Investment Committee notes the progress made towards developing an improved partnership approach to working with Network Rail.

9. Background Documents

9.1. None.

Director: Melanie Corcoran,
Director of Delivery
Author: Cath Pinn



Report to: West Yorkshire and York Investment Committee

Date: 9 November 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 WYCA supported projects, including West Yorkshire Plus Transport Fund (WY+TF) and Growth Deal, for consideration by the Investment Committee at Stages 1, 2 and 3 of WYCA's Assurance process.

1.2 This report presents proposals for the progression of three schemes through WYCA's Assurance process in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £34.256m when fully approved, all of which will be funded by WYCA. A total expenditure recommendation to the value of £14.558m is sought as part of this report for the development and delivery of these schemes. Further detail on the schemes summarised below can be found as part of this report.

Leeds City Region Enterprise Zones Programme <i>Leeds City Region-wide Scheme.</i>	Decision Point 2 (Case Paper) Total Value - £20.000m Total Value of WYCA Funding - £20.000m Funding Recommendation sought – £0.302m	A programme to develop the two Leeds City Region Enterprise Zones (Leeds and a multi-site EZ across sites in Bradford, Calderdale, Kirklees and Wakefield.) The EZ's have the potential to deliver approximately 230 hectares of employment land, over 15,000 jobs and approaching £5bn of GVA by 2025.
Steeton and Silsden A629 Foot/Cycle Crossing <i>Bradford Scheme</i>	Decision Point 2 (Case Paper) Total Value - £0.210m Total Value of WYCA Funding - £0.210m Funding Recommendation sought – £0.210m	Scheme utilising specified Department for Transport grant funding of up to £0.700m for development of an Outline Business Case (OBC) to improve cycling and walking links in the Bradford District.
East Leeds Outer Ring Road Junctions <i>Leeds Scheme</i>	Decision Point 5 (Full Business Case with Finalised Costs) Total Value - £14.046m Total Value of WYCA Funding - £14.046m Funding Recommendation sought – £14.046m	Part of the East Leeds Orbital Road Package, this scheme is an advance package of junction works on the Leeds Outer Ring Road in the North East of the city.

1.3 This report also presents recommendations for the following schemes that have had exception reports assessed in line with WYCA's Assurance Process. These schemes have a total combined funding value of £13.180m when fully approved, all of which will be funded by WYCA. A total expenditure recommendation to the value of

£0.630m is sought as part of this report for the development and delivery of these schemes. Further detail on the schemes summarised below can be found as part of this report.

A641 - Bradford to Huddersfield Corridor <i>Calderdale led scheme that also interfaces with Bradford and Kirklees</i>	Activity 1 (Expression of Interest) Exception Total Value - £0.730m Total Value of WYCA Funding - £0.730m Funding Recommendation sought – £0.630m	Funding for further strategic development of this multi-modal corridor scheme which links Bradford, Brighouse and Huddersfield.
Strategic Inward Investment Fund <i>Leeds City Region-wide Scheme.</i>	Activity 6 (Delivery) Exception Total Value - £12.450m Total Value of WYCA Funding - £12.450m Funding Recommendation sought – £0m	Exception to this dedicated inward investment grant scheme, which is operated specifically to secure investment to deliver significant benefits in terms of job creation and leveraging private sector investment.

- 1.4 Since Investment Committee’s meeting on 6 September 2017, decisions regarding the following schemes have been exercised through agreed delegation to WYCA’s Managing Director. These schemes have a total combined funding value of £17.716m when fully approved, £2.500m of this amount will be funded by WYCA with the remainder being funded from private sector contributions. A total expenditure recommendation to the value of £2.500m was sought for the development and delivery of these schemes.

Burberry Ltd. Global Shared Services Centre <i>Leeds Scheme</i>	Decision Point 5 (Full Business Case with Finalised Costs) Total Value - £16.716m Total Value of WYCA Funding - £1.500m Funding Recommendation sought – £1.500m	Grant funding contribution to the establishment of a Global Shared Services Centre in Leeds city centre leading to the creation of 329 jobs.
Digital Sector Soft Landings Grant Scheme <i>Leeds City Region-wide Scheme.</i>	Decision Point 5 (Full Business Case with Finalised Costs) Total Value - £1.000m Total Value of WYCA Funding - £1.000m Funding Recommendation sought – £1.000m	Business grant programme incentivising new inward investment projects in the digital sector.

- 1.5 The Portfolio Information Management System (PIMS) proceeded directly to WYCA ahead of consideration by the Investment Committee due to the nature of the funding stream. The £0.240m funding, funded by WYCA, was approved by WYCA on 5 October 2017.

2 Information

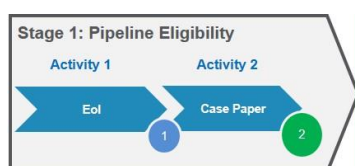
- 2.1 Investment Committee will recall that WYCA has a three stage Assurance Process as set out below with the requirement that all projects will as a minimum need to formally pass Decision Points 2 and 5, highlighted in green below, and with the requirement to meet the intervening activities deemed on a project by project basis.



- 2.2 The Programme Appraisal Team (PAT) appraises all schemes at the Decision Points. The PAT 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 PAT as required. The Terms of Reference for the PAT are contained within the Assurance Framework.
- 2.3 Projects at the Pipeline Eligibility stage are seeking entry into 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 development funding may be sought to enable this work to progress.
- 2.4 Projects at Pipeline Development Stage should demonstrate 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.
- 2.5 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.

Programmes and Projects for Consideration

3 Projects in Stage 1: Pipeline Eligibility



3.1 **Leeds City Region Enterprise Zones Programme (Decision Point 2 Case Paper)**

Background

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 Leeds City Region (LCR) EZ Programme consists of two EZs comprising the Phase 1 Leeds EZ and Phase 2 multi-site EZ across sites in Bradford, Calderdale, Kirklees and Wakefield.

The EZ Programme supports the LCR Strategic Economic Plan (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.

The City Region's two Enterprise Zones have the potential to offer significant benefits and meet a range of city region and national objectives. This includes delivery of approximately 230 hectares of employment land, over 15,000 jobs and approaching £5bn of GVA by 2025 when all ten EZ sites are developed in full. Currently the Leeds EZ has businesses in place and is well advanced. The infrastructure requirements for Lindley Moor West EZ site have been addressed with occupation of units from April 2017.

Based on initial independent feasibility and market advice, the current anticipated level of public sector support required to unlock all EZ sites is estimated to be £45.541m or up to £52.866m if support is required to underwrite speculative economic development by the private sector.

An initial £20m was secured through Growth Deal 3 (GD3) to support the LCR EZ programme. This stage of the programme focuses on delivery of this initial £20m Growth Deal 3 funding plus potential further match funding and/or external funding opportunities.

WYCA/LEP are committed to delivering the EZ programme. However, currently the total costs for the EZ Programme are only partially funded (via GD3) in advance of any decision being taken on the availability of other public sector (WYCA/districts) support. A phased EZ programme therefore needs to be progressed as an interim solution.

WYCA and EZ districts have been working collaboratively to identify and develop master planning and technical feasibility work for priority sites for investment. This ongoing work has informed the proposed phasing process which is also based on:

- strength of the business case for investment;
- scale of economic benefits;
- independent assessment of market demand;

- availability of technical and site feasibility assessments (where required);
- landownership considerations/constraints; and
- ability of developers to commence delivery in the short term.

As a result of this collaborative work, it is proposed that the £20m GD3 funding is deployed as follows:

Phase 1 Leeds EZ (Total: £4.400m)

- Leeds EZ power solution (£4.400m)

Phase 2 EZ (Total: £15.100m)

- Clifton Business Park, Calderdale (sub-phase A1): An initial phase of site clearance and associated site levelling (£5.900m). National Productivity Investment Fund (NPIF) grant funding (£4.49m) will be used to provide site access and walking/cycling access across the business park.
- Parry Lane, Bradford (sub-phase A2): Site remediation including: site levelling; access/junction improvements; removal of foundations; utilities (£1.200m)
- Gain Lane, Bradford (sub-phase A2): An initial phase of site remediation and access improvements including: site levelling; retaining structures; spine roads; utilities and drainage works (£2.900m)
- South Kirkby Business Park, Wakefield (sub-phase A2): Site remediation including: site levelling; sub-station; sewer/drainage works; utilities (£5.100m)

The remaining £0.500m will fund EZ programme management costs.

Clifton Business Park is identified in sub-phase A1 based on the site's strategic role as the largest employment allocation in Calderdale and the largest/most complex Phase 2 EZ site. Clifton also has potential to accommodate the re-location and growth of flood affected businesses in the Calderdale area following the 2015 Boxing Day floods. The initial feasibility and master planning findings also confirmed the site's economic impact and complexity of infrastructure requirements.

The three locations included at Phase A2¹ are currently all seeking investment now/or are likely to do so prior to April 2018. These allocations also have strong market demand, a willing/able developer or landowner in place and technical information in place or underway.

Sites identified within Phase A3 and A4² are placed on hold in terms of funding for capital works until a decision is made regarding the EZ Programme 'Open Call for Projects' submission later in the year. The submission seeks additional Growth Deal

¹ Parry Lane (Bradford); Gain Lane (Bradford) and South Kirkby Business Park (Wakefield)

² Staithgate Lane (Bradford); Lindley Moor East (Kirklees); Moor Park (Kirklees) and Langthwaite Business Park (Wakefield)

funding for the remaining unfunded elements of the programme. The programme has also secured £4.49m of National Productivity Investment Fund (NPIF) grant funding for highway access at Clifton Business Park. Other potential funds currently identified for potential match contributions include ESIF, WY TF, Environment capital budgets and Local Authorities. In the interim period pre-feasibility/master planning work will continue at Staithgate Lane (Bradford), Lindley Moor East (Kirklees) and Langthwaite Business Park (Wakefield).

Following Decision Point 2 approval of the Enterprise Zones Programme, work will commence on Activity 3 (Outline Business Case) for the Phase 2 sites in sub-phases A1 and A2 and Activity 4 (Full Business Case) for the Phase 1 Leeds EZ site. Each EZ site will seek a recommendation from Investment Committee before seeking WYCA approval at the next Decision Point in its development.

A summary of the Scheme's Business Case is included in **Appendix 1**.

Costs

The programme currently has a budget allocation through Growth Deal 3 of £20m. This funding will support delivery of a power solution for the Leeds (Phase 1) EZ at £4.4m and support the Phase 2 EZ sites (A1 and A2 sites).

The programme costs at this stage assume a circa £4.4m requirement for the Leeds EZ power solution which is consistent with emerging work and will be subject to approval through the WYCA Assurance Process. This is a reduction from the provisional £10m allocation presented to Investment Committee in 2016 following further technical work by Leeds City Council. It is anticipated that the final costs will be presented to Investment Committee for consideration in early 2018.

Opportunities for funding of further phases are currently being explored. The total LCR EZs Programme cost could increase to £52.866m.

Development costs of up to £0.302m to be funded from the Local Growth Fund are also requested as part of this report, in order to progress Phase 2 sites to Decision Point 5 (Full Business Case with Finalised Costs). The project development funding will be used to progress further site feasibility, master planning and detailed design work for EZ sites in sub-phases A1 and A2. The funding will also provide a resource for legal support and due diligence.

Timescales

To be aligned with Growth Deal 3 timeframe which requires delivery by March 2021 and the outputs outlined within the Case Paper are anticipated by 2024.

Tolerances

In order for the programme 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:

- Costs will remain within the budget allocation of £20.000m

Tolerances for each of the projects within the programme will be set when the projects come through the Assurance Framework at Decision Point 3.

Project Responsibilities

Senior Responsible Officer: David Walmsley, Head of Economic Policy, WYCA

Project Manager: Justin Wilson, Head of Strategic Networks, WYCA

WYCA Case Officer: Elizabeth Courtney, Economic Regeneration Lead

Recommendations

That Investment Committee recommends to WYCA that:

- The Leeds City Region Enterprise Zones Programme proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case) for the Phase 2 sites outlined in this report and Activity 4 (Full Business Case) for Phase 1 Leeds EZ.
- An indicative Approval to the £20.000m programme cost is given from the Local Growth Fund with Full Approval to spend being granted to individual sites once they have progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Development costs of up to £0.302m from the Local Growth Fund are approved in order to progress Phase 2 sites to Decision Point 3 (Outline Business Case).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.2 Steeton and Silsden A629 Foot/Cycle Crossing (Decision Point 2 Case Paper)

Background

The Department for Transport has provided a grant fund of up to £0.700m for development of an Outline Business Case (OBC) to improve cycling and walking links in the Bradford District.

The OBC will develop a preferred solution to facilitate pedestrian and cycling crossing at the junction of the A629 dual carriageway and the A6034 (Keighley Road / Station Road) to link Silsden village with the Steeton and Silsden rail station.

A preferred design will seek to reduce the severance affect that the A629 has for Silsden residents on local walking and cycling journeys, particularly for accessing the rail station. The scheme supports aspirations for increased improved connectivity, increased physical activity, road safety and low carbon 'good growth'.

Funding for scheme delivery is yet to be identified and options for this will form part of the Outline Business Case.

A summary of the Scheme's Business Case is included in **Appendix 2**.

Costs

The Department for Transport has provided grant funding of up to £0.700m through City Cycle Ambition Grant (CCAG) payments. Costs of £0.210m have been allocated for OBC development works.

Timescales

The Outline Business Case delivery is to be completed by May 2018.

Tolerances

In order for the scheme to follow the Assurance Pathway and Approval Route that is 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:

- Costs remain within 10%. Cost increases over 10% will require further approvals from WYCA.
- If the programme is forecast to slip by more than 3 months then this will require further approvals by WYCA.

Project Responsibilities

Senior Responsible Officer: Richard Gelder, Highways Services Manager, Bradford Council

Project Manager: Tom Jones, Highways Services, Bradford Council

WYCA Case Officer: Alistair Ryder, Transport Policy

Recommendations

That Investment Committee recommends to WYCA that:

- The Steeton and Silsden A629 Foot/Cycle Crossing proceeds through Decision Point 2 (Case Paper) and work commences on Activity 3 (Outline Business Case).
- Approval to the total project value of £0.210m is given from the CCAG Fund (which incorporates the DfT Grant) for Activity 3 (OBC) only.
- WYCA enter into a Funding Agreement with City of Bradford Metropolitan District Council for expenditure of up to £0.210m from the CCAG Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including that Decision Point 3 approval will be delegated to WYCA's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in this report.

3.3 **A641 - Bradford to Huddersfield Corridor (Activity 1 Expression of Interest Exception)**

Background

The A641 Bradford – Brighouse – Huddersfield corridor, including the A644 between Brighouse and M62 J25, is an important manufacturing corridor that forms part of the West Yorkshire Key Route Network (KRN). It was identified as a multi-modal corridor in the West Yorkshire Plus Transport Fund's initial scheme pipeline, with delivery by 2023. The corridor has issues in all locations, including at key junctions – mostly in Brighouse.

Initial pre-feasibility work has established that there is significant complexity to the transport issues in Brighouse, and that opportunity exists to use A641 WY+TF investment to resolve these and enable the realisation of Brighouse's economic growth potential and local plan site development in Bradford, Calderdale and Kirklees. This project is therefore extremely important to each of the districts.

Project Exception

There is the potential for significant strategic development of the wider geographical area where this project is located, including far reaching implications of draft Local Plans, and other planned investment. In order to fully understand the scope of the A641 project, Calderdale Council, as project promoter, needs to work closely with neighbouring authorities and other partners to gain further intelligence of dependencies and interdependencies.

Undertaking this exercise will enable the promoter to define the scope of the A641 project, and submit an updated EoI to include this refined information.

Costs

The project has an existing approval of £0.100m, which has funded the initial pre-feasibility work and staff costs on the project, to establish an indicative scope and phasing. The total WYCA allocation to this project is £52.4m. The Project Promoter

now requires an additional £0.630m development funding, to cover the cost of undertaking further feasibility to determine full scope and high level costs of the project and prepare a revised Expression of Interest.

Timescales

An Expression of Interest (EoI) is programmed for early in 2018/19, with Decision Point 2 (Case Paper) later that year and an Outline Business Case submission due in 2019.

Tolerances

Tolerances for the scheme will be set at Decision Point 2 (Case Paper). At Decision Point 2, the scheme will seek an approval recommendation from Investment Committee before seeking approval from WYCA.

Project Responsibilities

Senior Responsible Officer: Mark Thompson, Calderdale Council
Project Manager: Sarah Callaghan, Calderdale Council
WYCA Case Officer: Rachel Jones

Recommendations

That Investment Committee recommends to WYCA that:

- Further development costs of up to £0.630m are approved from the West Yorkshire plus Transport Fund to enable further Expression of Interest development, in order to progress the scheme to Decision Point 2 (Case Paper), taking the total project approval to £0.730m.
- WYCA enters into an addendum to the existing funding agreement with Calderdale Council for A641 - Bradford to Huddersfield Corridor for additional expenditure of up to £0.630m from the WY+TF.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 2: Pipeline Development



3.4 **East Leeds Orbital Road - Outer Ring Road Junctions (Decision Point 5 Full Business Case with Finalised Costs)**

Background

The East Leeds Orbital Road (ELOR) project was identified as a WYCA investment priority and was included in the West Yorkshire plus Transport Fund. It comprises:

- 7km of new dual carriageway around the north east sector of Leeds (between Red Hall and Thorpe Park)
- Reprioritisation of road space along the existing section of the ring road that would be by passed, including around Cross Gates centre, to improve sustainable local transport connections
- Capacity and operational improvements at 5 key junctions along or adjacent to the existing ring road to the west of Red Hall to address current congestion issues and ensure they are capable of accommodating future travel demand
- The Manston Lane Link Road connecting the southern part of the new dual carriageway with the M1 east of Thorpe Park (this section is being fully funded by the private sector)

Apart from providing significantly enhanced connectivity, reducing traffic congestion and enhancing environmental and safety conditions, ELOR will also unlock the potential for building of 5500 new homes in what is known as the East Leeds Extension.

An outline business case for the whole project was approved by WYCA in 2015 and funding was allocated to undertake development work covering design, economic modelling and developing a procurement strategy. It was agreed that an advance package of junctions' works would be progressed and specifically detailed design work has taken place for 3 of the 5 junctions along the existing ring road corridor to the west of Red Hall:

- A6120/Roundhay Park Lane
- A6120/A61 Harrogate Road
- A61/Harrogate Road/Scott Hall Road

The above junctions' designs will incorporate the latest green streets design principles and provide enhanced provision for cyclists and pedestrians.

A full business case has been submitted covering the delivery of these three specific junctions in advance of the main new dual carriageway. The full business case includes tendered prices and an estimate of quantified risk.

The prices for the delivery of the advance junction works are based on tendered submissions. The prices are valid up to 28 December 2017, and if the approvals to allocate funds are gained, the work on the advance junctions will start on site during January 2018.

The works on the full ELOR package are continuing to progress and it is anticipated that work could start on site in May 2019, subject to Decision Point 5 approval (Full Business Case with Finalised Costs). The full ELOR package will return to Investment Committee for a recommendation for approval to WYCA at either Decision Point 4 (Full Business Case) or Decision Point 5 (Full Business Case with Finalised Costs).

A summary of the Scheme's Business Case is included in **Appendix 3**.

Costs

Total ORR project cost - £14.046m

WYCA Total funding - £14.046m

WYCA Funding Approvals to date – The full ELOR package of schemes has a £3.900m approval (which covered design and preparation for Phase 1 and OBC for balance of ELOR project) and £6.750m to cover land costs (none of which is required for this ORR project). This was combined with a £1.160m contribution from funding approved by WYCA to commence development work on WY+TF projects before the growth deal was established. This existing approval has funded the development of this project, and has not been included in the total project cost presented above.

Timescales

ORR Project starts on site – January 2018

ORR Project Completion Date – April 2019

Project Responsibilities

Senior Responsible Officer: Oliver Priestley, Leeds City Council

Project Manager: Paul Russell, WSP on behalf of Leeds City Council

WYCA Case Officer: Paul Roberts

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:

- That the total project cost remains within 10% of the total project cost provided in this report.
- That the project delivery timescales remain within 3 months of the timescales outlined in this report.

Recommendations

That Investment Committee recommends to WYCA that:

- The East Leeds Outer Ring Road Junctions Project (part of the East Leeds Orbital Road Package of schemes) proceeds through Decision Point 5 (Full Business Case with Finalised Costs) and work commences on Activity 6 (Delivery).
- Approval to WYCA's contribution of £14.047m (which will be funded from the WY+TF) is given, taking the total project approval for the full ELOR package of schemes to £25,857m (£14,047m plus £3.900m for design and preparation for Phase 1 and the OBC for the ELOR project plus £6.750m for land costs and a £1.160m contribution from funding approved by WYCA to commence development work on WY+TF projects before the growth deal was established (all funded from the WY+TF)).
- WYCA enter into an addendum to the existing Funding Agreement with Leeds City Council for expenditure of up to £25,857m from the WY+TF.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

Projects in Stage 3 – Programme Committed



3.5 Strategic Inward Investment Fund (Activity 6 Delivery) Exception. Background

The scheme provides the region with a funding stream to support significant inward investment projects locating in Leeds City Region, enabling the region to compete more effectively against international locations for job creating projects. Applications are received via referral from the Inward Investment team and awards are made on the basis of business case applications that will be appraised by the LEP Business Investment Panel and seek approval from WYCA.

The scheme eligibility parameters were that awards will be for grants larger than £250k and, in the main, lower than £1m, although no firm upper limit has been set. The target job creation figure for the scheme are 1,245.

The Strategic Inward Investment Fund (SIIF) was approved In July 2017 and is now receiving applications from projects.

Details of the Exception

The exception aims to widen the Strategic Inward Investment Fund to enable more large businesses from across the Leeds City Region to be eligible to apply. The exception proposes that the lower limit of the scheme is decreased in line with the de minimis level (€200,000), which will vary in GBP value depending upon the prevailing exchange rate. This exception is proposed in order to ensure the scheme provides maximum flexibility, compliant with the relevant State Aid regulations. The exception will enable support to large businesses locating in the region outside of the designated Assisted Areas. Because of the nature of state aid funding, assistance to large businesses outside of assisted areas is limited to the de minimis aid amount equivalent to €200,000 (EU De minimis Aid Regulation allows small amounts of aid to be given to a project for a wide range of range of purposes). As a result the lower grant limit of £250,000 for the Strategic Inward Investment Fund means that applications that would only qualify for de minimis aid are not currently allowable under the Fund. Reducing the Strategic Inward Investment limit to the GBP equivalent to €200,000 (which would be calculated at time of application), would ensure that businesses could be supported across the wider geography of the City Region.

In addition, this exception proposes that applications for grant funding of £250,000 or less to the Strategic Inward Investment Fund are assured in line with Business Growth Programme assurance and approval processes (approved in August 2017) and that decision making for these grants is delegated to Managing Director, on the basis of a recommendation at Decision Point 4 by Business Investment Panel. The current process requires a scheme to be considered by Investment Committee and WYCA at Decision Point 2 (Case paper), which is not felt to be proportionate for this lower level of grant.

Costs

There is no impact on the approved scheme value of £12.45m.

Timescales

The overall programme timescale remains unchanged. The grant fund will be in operation until 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:

- If programme costs increase by more than 10%
- If programme slips by more than 3 months

- If there are changes to the parameters of the grant scheme
- If job outputs are forecast to reduce by more than 10% (1,245 jobs baseline), and/or Private Sector investment levered decreases more than 20% (£108m) baseline

Project Responsibilities

Senior Responsible Officer: David Shepherd, WYCA
 Project Manager: Sam Lewis, WYCA
 Case Officer: Heather Briggs, WYCA

Recommendations

That Investment Committee recommends to WYCA that:

- The exception is approved to change the Strategic Inward Investment Fund lower limit for applications from £250, 000 to GBP equivalent (at time of application) to €200,000.
- The exception is approved to amend the assurance and approval processes for applications of £250,000 or below as outlined in this report, so that these decisions are delegated to the WYCA Managing Director.

3.6 Decisions made through the Delegation to the Managing Director

Since Investment Committee's meeting on 6 September 2017, decisions regarding the following schemes have been exercised. These decisions were made through the delegation to WYCA's Managing Director following a recommendation from WYCA's Programme Appraisal Team.

- **Burberry Ltd. Global Shared Services Centre (Decision Point 5 Full Business Case with Finalised Costs)**

This Decision Point 5 approval related to a business grant application for Burberry Ltd. to open a Global Shared Service Centre in Leeds. The applicant requested a capital grant against their substantial capital expenditure. This investment will create 329 new additional jobs for the region.

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 4 (Full Business Case) followed by Decision Point 5 (Full Business Case with Finalised Costs). It was agreed that approvals at these Decision Points would be provided through the delegation to WYCA's Managing Director subject to the scheme remaining within its tolerances. As a result, following a recommendation from WYCA's Investment Panel, the scheme received Decision Point 4 approval on 21 April 2017 and then Decision Point 5 approval on 13 October 2017 through a delegation to WYCA's Managing

Director. The scheme has now progressed into delivery and the applicant can now begin to draw down the approved grant.

A summary of the scheme's Business Case is included in **Appendix 4**.

- **Digital Sector Soft Landings Grant Programme**

This scheme aims to capitalise on Leeds City Region's strong reputation in the digital sector by incentivising new inward investment projects in the digital sector locating to the region. The grant programme of £1.000m, will offer grants of up to 50% of costs and will support any eligible costs associated with the company's project in the region over the first 12 months. It is anticipated that applications for between £10k and £50k of grant funding will be received.

The scheme received Decision Point 2 (Case Paper) approval by WYCA at the meeting on the 29 June 2017. As part of this approval WYCA also agreed that the scheme would proceed to Activity 5, and that Decision Point 5 approval could be delegated to WYCA's Managing Director providing that the scheme remained within its approval tolerances. The scheme has remained within these tolerances. As a result the scheme sought Managing Director delegated approval to proceed through Decision Point 5 into Activity 6 (Delivery). Managing Director delegated approval was received on 29 September 2017.

A summary of the scheme's Business Case is included in **Appendix 5**.

3.7 **Decisions progressed directly to WYCA on 5 October 2017**

The following decision progressed directly to WYCA for approval prior to a recommendation from Investment Committee because of the timescales and funding stream of the scheme.

- **Portfolio Information Management Systems**

The project involves the implementation of a new IT Portfolio Information Management System (PIMS) using Microsoft's Project Online/SharePoint Online software. The PIMS is a key system for the Portfolio Management Office (PMO) and will support and strengthen the Leeds City Region Assurance Framework, as well as underpinning the enhanced project, programme and portfolio approach. The project cost is £0.240m and was approved by WYCA on the 5 October 2017.

4 Financial Implications

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

5 Legal Implications

- 5.1 The payment of funding to any recipient will be subject to a funding agreement being in place between WYCA and the organisation in question.

6 Staffing Implications

- 6.1 A combination of WYCA and District partner project, programme and portfolio management resources are identified and costed for within the schemes in this report.

7 External Consultees

- 7.1 Where applicable scheme promoters have been consulted on the content of this report.

8 Recommendations

8.1 Leeds City Region Enterprise Zones Programme (Decision Point 2)

That Investment Committee recommends to WYCA that:

- The Leeds City Region Enterprise Zones Programme proceeds through Decision Point 2 and work commences on Activity 3 (Outline Business Case) for the Phase 2 sites outlined in this report and Activity 4 (Full Business Case) for Phase 1 Leeds EZ.
- An indicative Approval to the £20.000m programme cost is given from the Local Growth Fund with Full Approval to spend being granted to individual sites once they have progressed through the Assurance Process to Decision Point 5 (FBC with Finalised Costs).
- Development costs of up to £0.302m from the Local Growth Fund are approved in order to progress Phase 2 sites to Decision Point 3 (Outline Business Case).
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

8.2 Steeton and Silsden A629 Foot/Cycle Crossing (Decision Point 2)

That Investment Committee recommends to WYCA that:

- The Steeton and Silsden A629 Foot/Cycle Crossing proceeds through Decision Point 2 (Case Paper) and work commences on Activity 3 (Outline Business Case).
- Approval to the total project value of £0.210m is given from the CCAG Fund (which incorporates the DfT Grant) for Activity 3 (OBC) only.

- WYCA enter into a Funding Agreement with City of Bradford Metropolitan District Council for expenditure of up to £0.210m from the CCAG Fund.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report including that Decision Point 3 approval will be delegated to WYCA's Managing Director. This will be subject to the scheme remaining within the tolerances outlined in this report.

8.3 **A641 - Bradford to Huddersfield Corridor (Activity 1 Exception)**

That Investment Committee recommends to WYCA that:

- Further development costs of up to £0.630m are approved from the West Yorkshire plus Transport Fund to enable further Expression of Interest development, in order to progress the scheme to Decision Point 2 (Case Paper), taking the total project approval to £0.730m.
- WYCA enters into an addendum to the existing funding agreement with Calderdale Council for A641 - Bradford to Huddersfield Corridor for additional expenditure of up to £0.630m from the WY+TF.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report. This will be subject to the scheme remaining within the tolerances outlined in this report.

8.4 **ELOR Leeds Outer Ring Road Junctions (Decision Point 5)**

That Investment Committee recommends to WYCA that:

- The East Leeds Outer Ring Road Junctions Project (part of the East Leeds Orbital Road Package of schemes) proceeds through Decision Point 5 (Full Business Case with Finalised Costs) and work commences on Activity 6 (Delivery).
- Approval to WYCA's contribution of £14.047m (which will be funded from the WY+TF) is given, taking the total project approval for the full ELOR package of schemes to £25,857m (£14,047m plus £3.900m for design and preparation for Phase 1 and the OBC for the ELOR project plus £6.750m for land costs and a £1.160m contribution from funding approved by WYCA to commence development work on WY+TF projects before the growth deal was established (all funded from the WY+TF)).
- WYCA enter into an addendum to the existing Funding Agreement with Leeds City Council for expenditure of up to £25,857m from the WY+TF.
- Future approvals are made in accordance with the Approval Pathway and Approval Route outlined in this report following a recommendation by WYCA's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

8.5 **Strategic Inward Investment Fund (Activity 6 Exception)**

That Investment Committee recommends to WYCA that:

- The exception is approved to change the Strategic Inward Investment Fund lower limit for applications from £250, 000 to GBP equivalent (at time of application) to €200,000.
- The exception is approved to amend the assurance and approval processes for applications of £250,000 or below as outlined in this report, so that these decisions are delegated to the WYCA Managing Director.

9 Appendices

Appendix 1 - Leeds City Region Enterprise Zones Programme Business Case Summary

Appendix 2 - Steeton and Silsden Active Travel Feasibility Study Business Case Summary

Appendix 3 - East Leeds Outer Ring Road Junctions Business Case Summary

Appendix 4 - Burberry Ltd. Global Shared Services Centre Business Case Summary

Appendix 5 - Digital Sector Soft Landings Grant Programme Business Case Summary

10 Background Documents

None as part of this report.

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Scheme Summary

Name of Scheme:	LCR Enterprise Zones Programme
PMO Scheme Code:	GD-PA4-021
Lead Organisation:	WYCA
Senior Responsible Officer:	David Walmsley
Lead Promoter Contact:	Justin Wilson
Applicable Funding Stream:	Growth Deal 3
Growth Fund Priority Area (if applicable):	4d
Forecasted Full Approval Date (Decision Point 5):	<p>Programme will be updated as each EZ project is brought forward within Phases A1 & A2. Future phases (A3 & A4) will be presented when further funding is secured.</p> <p>Projects will come forward individually at DP3 from within phases A1 & A2.</p>
Forecasted Completion Date:	March 2021 (spend)
Total Scheme Cost (£):	<p>£45,540,887 or up to £52,865,887 if further support is required to support/underwrite speculative economic development by the private sector (referred to as 'put and call' options).</p> <p>The programme has been developed to progress on a phased basis as: Phase 1 EZ: Leeds EZ Power Solution Phase 2 EZ: 4 sub-phases A1, A2, A3 & A4.</p> <p>This EoI outlines and requests recommendations for Phase 1 EZ and Phase 2 EZ's sub-phases A1 & A2 which can be delivered within the existing Growth Deal 3 funding allocation of £20m.</p>
WYCA Funding (£):	£20,000,000 (Growth Deal Round 3)
Total other public sector investment (£):	<p>Not secured. The programme is seeking to secure National Productivity Investment Fund grant funding. Other potential funds currently identified for potential match contributions include ESIF, WY TF, Environment capital budgets and Local Authorities.</p> <p>An EoI has been submitted in response to WYCA's Call for Projects for the balance of the EZ programme's financial requirements.</p>

Total other private sector investment (£):	Assumptions in the pre-feasibility work (undertaken by Cushman & Wakefield and WSP) have been made on landowner/developer contributions (these total £122m of build costs for the Phase 2 EZs) but cost details will be developed as individual projects are brought forward.
Is this a standalone Project?	No
Is this a Programme?	Yes
Is this Project part of an agreed Programme?	N/A
Current Funding Allocation:	<p>The programme has already received approval for some site-specific project funding released ahead of the programme's progression to Activity 2 to allow progression of pre-feasibility work, including –</p> <ul style="list-style-type: none"> • Development of Feasibility and Investment Framework • Marketing / communications activities • Clifton Business Park EZ Outline Masterplan, Feasibility Study and Implementation Plan • Package of x4 further EZ pre-feasibility work (technical studies, outline masterplans) • Total funds approved to date £390k, made up of £275k GD3, £50k DCLG and £65k district partners

Current Assurance Process Activity:



Scheme Description:

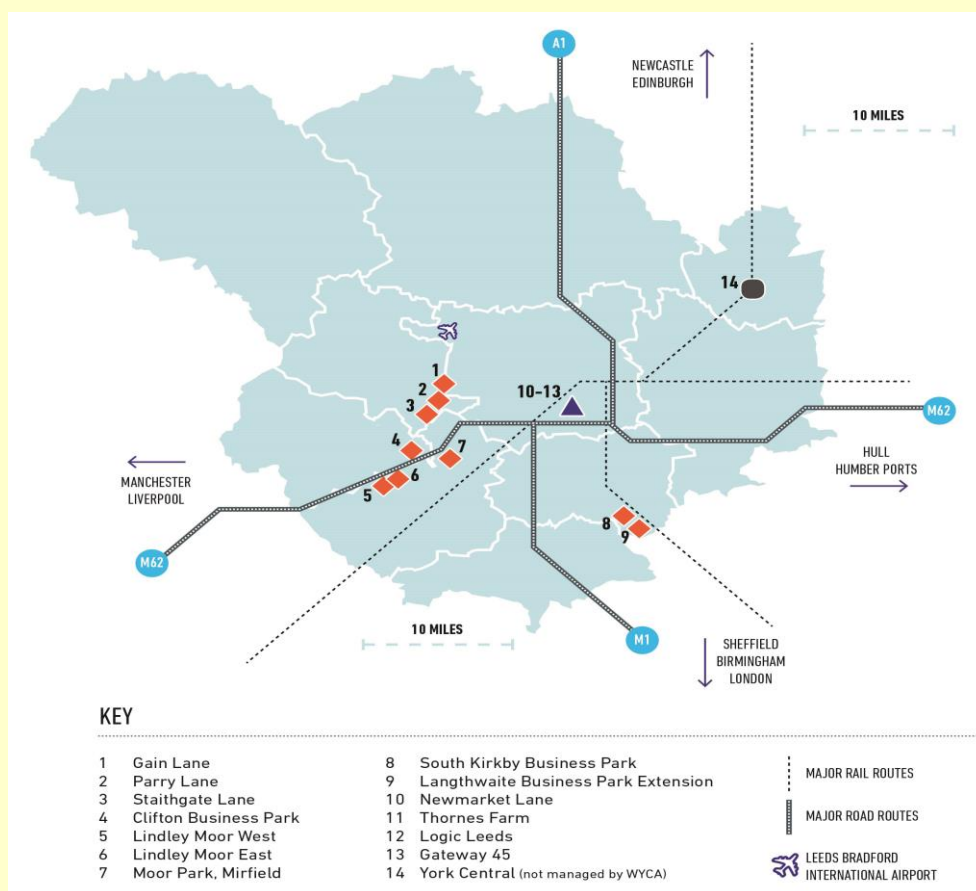
Enterprise Zones (EZs) are seen as a key part of the Government's national agenda to devolve responsibility for growth and incentivise additional economic development.

The Leeds City Region EZ Programme supports the LCR Strategic Economic Plan (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 (SPAs) in the SEP. The key focus and Vision for the Enterprise Zones as set out in the SEP is **"the acceleration of development and delivery of high quality employment floor space in the advanced and innovative manufacturing and complementary sectors"**.

Areas of activity where the programme may support EZ site delivery (some of which are already underway), include:

- Development of a targeted branding, marketing and communications package;
- Support for site feasibility/investigations and master planning;
- Delivery of onsite capital works / site infrastructure
- Direct support for property delivery; and
- Off-site and/or ancillary infrastructure.

LCR Schematic Plan shows Leeds Aire Valley (phase 1) shown as sites 10-13 and all other sites (Phase 2 EZ) at 1–9. The programme will now be delivered through a phased approach. This paper seeks recommendation to progress Phase 1 EZ Power and Phase 2 A1 & A2 stages (See attached Phase 2 EZ Sequencing & Funding Appendix)



The programme now comprises the following phases –

LCR EZ – Leeds Phase 1

LCR EZ (Phase 1) power solution OBC was approved in November 2016. This requested up to £10M of grant funding to support delivery of a power solution. Leeds City Council are likely to be in a position to submit Full Business Case in Qr 4 2017/18 when costs can be confirmed.

A linked project relating to a LEP Loan for remedial works at Gateway 45 has received approval. Release of loan fund is on hold, whilst implications of HS2 Ltd's Rolling Stock Depot proposal within the Leeds EZ are confirmed by Government.

LCR EZ – Multi-site Phase 2

The Phase 2 EZ part of the programme is now broken down into four sub phases (A1, 2, 3 & 4).
This paper sets out the case for recommending the delivery of a power solution for the Phase 1 (Leeds) EZ and sub phases A1 & A2 of Phase 2 multi-site EZ.

Business Case Summary:

Strategic Case	<p>The LCR EZs Programme supports the SEP vision and the principle of ‘good growth’ by supporting delivery of innovations, good jobs/incomes and improving the quality of places.</p> <p>In addition, the SEP identifies 10 game changing ‘headline initiatives’ to be delivered over the next 10 years. The EZ programme will play a critical role in delivery of one of these initiatives: “Develop and regenerate Integrated Spatial Priority Areas, supporting employment, quality environments and the building of 10,000 new homes per year”.</p> <p>The Enterprise Zones also align with headline initiatives across SEP Priorities 1-4 via guiding the development of the EZs whilst considering climate change, green infrastructure and integrated flood risk and delivering manufacturing business growth and high quality, skilled employment opportunities.</p> <p>WYCA’s LCR EZs Strategy and Implementation Plan (SIP) (May 2017) provides the overarching strategy for the EZ programme and will support delivery of the SEP’s priorities and headline initiatives.</p>
Commercial Case	<p>Initial pre-feasibility, market demand analysis and business case development has now been completed for all EZ sites. This includes the LCR EZ’s Feasibility and Investment Framework (November 2016), which provides a review of all 10 sites within the 2 phases and the Clifton Business Park EZ Outline Masterplan and Feasibility Study; this provides detailed, site-specific analysis on this particular site. Further pre-feasibility site-specific studies are also underway on four other sites. Collectively these outline the business case for WYCA and the public sector unlocking growth within EZ locations to enhance and accelerate future EZ business rate receipts and secure delivery of wider economic outputs that support SEP aspirations.</p> <p>The procurement solution for each site will differ and will be determined, with appropriate routes explored on a site by site basis as required.</p>
Economic Case	<p>Currently many of the Phase 2 EZ sites are ‘stalled’ due to challenging physical constraints or a lack of market confidence to deliver the right type and quality of employment floor space on a speculative basis. WYCA’s bid to DCLG for Enterprise Zone status in these locations was on the premise that EZ occupier incentives and other public investment would be utilised to unlock and/or accelerate delivery of the sites and wider economic growth.</p> <p>The two EZs have the potential to offer significant benefits and meet a range of city region and national objectives. This includes delivery of approximately 230</p>

	<p>hectares of employment land, over 15,000 jobs and approaching £5bn of GVA by 2025 (these outputs relate to full programme delivery, including all sites within both phases fully developed).</p> <p>Outputs will be realised on an incremental basis in line with the phased approach. This approach may also require incremental phases within some sites if further funding is not secured (e.g. Clifton Business Park and Gain Lane). Outputs for each sub phase can be found on the Sequencing and Funding Options Appendix.</p>
Financial Case	<p>The total programme costs are currently outlined as up to £46.7m and £52.8m if further support is required to support/underwrite speculative economic development by the private sector (referred to as 'put and call' options) but the programme is phased to commence delivery within the available £20m Growth Fund allocation.</p> <p>Developments costs of 2% of the identified phase costs is requested to undertake scheme development for the four sites identified in phases A1 and A2. This will provide funding for further external commercial support, technical/design work and due diligence.</p> <p>WYCA officers and district partners will continue to work to secure further funding. Feedback on bids already submitted is expected by Autumn 2017 to support the funding gap.</p> <p>Programme and project management costs have been identified and a budget allocation included in the £20m.</p> <p>The longer-term financial return on the programme is positive based on the assessment on business rate receipts and other economic outputs (GVA and Jobs) based on C&W's EZ business rate model.</p>
Management Case	<p>There is a governance and advisory structure for the programme. The operational arrangements have been updated for the officer EZ governance group to include Policy & Strategy and Delivery representatives and BEIS and HCA as required.</p> <p>There are district delivery groups in the structure which manage site-specific operational issues and monitoring and feed into the EZ governance group.</p> <p>A delivery programme board will need to be established along with the development of delivery documentation in line with WYCA programme management and the assurance framework requirements.</p>

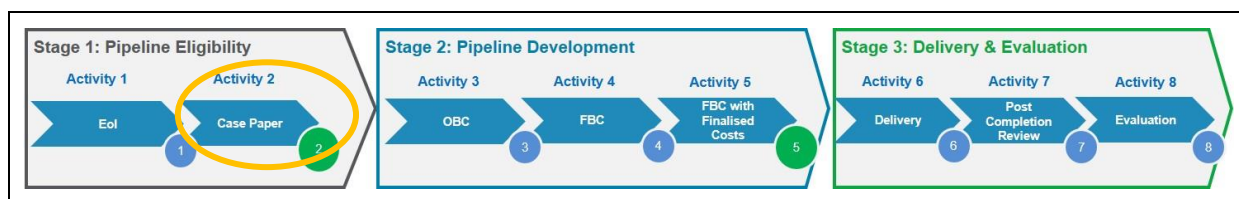
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Scheme Summary

Name of Scheme:	Steeton and Silsden A629 Foot / Cycle Crossing Study
PMO Scheme Code:	DFT-ACT-001
Lead Organisation:	City of Bradford Metropolitan District Council
Senior Responsible Officer:	Richard Gelder, Highways Services Manager, Bradford Council
Lead Promoter Contact:	Tom Jones - Tom.jones@bradford.gov.uk , 01274 434983
Case Officer:	Alistair Ryder, WYCA
Applicable Funding Stream(s) – Grant or Loan:	Department for Transport Grant Funding (provided via CCAG quarterly payment Q1 2017/18)
Growth Fund Priority Area (if applicable):	N/A
Approvals to Date:	This Decision Point (Case Paper) is the first approval sought by the project
Forecasted Full Approval Date (Decision Point 5):	December 2019
Forecasted Completion Date (Decision Point 6):	September 2021
Total Scheme Cost (£):	£0.210m (OBC)
WYCA Funding (£):	N/A
Total other public sector investment (£):	£0.210m (DfT)
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 - CCAG

Current Assurance Process Activity:



Scheme Description:

Development of an Outline Business Case (OBC) for a preferred solution to facilitate pedestrian and cycling crossing at the junction of the A629 dual carriageway and the A6034 (Keighley Road / Station Road) to link Silsden village with the Steeton and Silsden rail station.

A preferred design will seek to reduce the severance affect that the A629 has for Silsden residents on local walking and cycling journeys, particularly for accessing the rail station. The scheme supports aspirations for increased improved connectivity, increased physical activity, road safety and low carbon 'good growth'.

The Department for Transport (DfT) has provided £0.7m grant funding for OBC development only.

Funding for scheme delivery is yet to be identified.

Business Case Summary:

Strategic Case

The A629 is a heavily trafficked dual carriageway with a 70 mph speed limit which has an informal pedestrian crossing facility adjacent to the roundabout junction with the A6034.

The OBC is proposed to develop a series of costed alternatives and preferred option for a formal cycling and walking link between Silsden and Steeton and Silsden rail station.

Evidence collated in 2012 indicated that a safe and formal cycle/foot crossing of the A629 to the rail station would increase the likelihood of public transport usage.

Improved cycle and walking links supports the government's National Cycling and Walking Strategy to double cycling by 2025 and supports the SEP agenda for 'quality places' and a transition towards a low carbon economy. The proposal supports the adopted WYCA Transport Strategy policies as follows;

- RN6 - Provide safer, more convenient networks for walking and cycling;
- X3 - Encourage healthy travel with improved cycling and walking facilities supported by training and promotional campaigns;
- X4 - Improve safety on our transport networks particularly for vulnerable road users;
- X5 - Improve access for people in disadvantaged and excluded communities

The need for a facility to reduce severance and improve connectivity to the train station for residents in Silsden has also been identified in Bradford's Local Plan Airedale Sub Area Policy document.

There is interface between this project and the CCAG programme's Leeds-Liverpool canal towpath upgrades through Silsden.

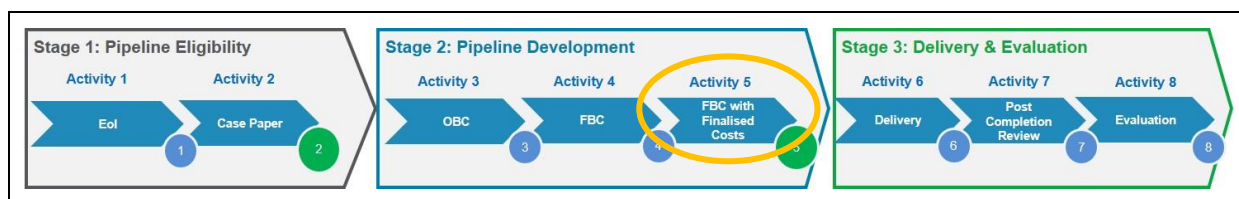
Commercial Case	<p>A Silsden resident survey in 2012 identified latent demand for rail patronage that could be unlocked from improved pedestrian and cycle links between Silsden and the rail station. Improved walking and cycling linkage is also considered to support delivery of up to 1,000 new homes in the Steeton and Silsden area by 2030. Section 106 developer funding of £0.22m towards a solution has been agreed.</p> <p>DfT has provided up to £0.7m in grant funding to develop the OCB for solutions to improve cycle and pedestrian access.</p> <p>CBMDC will appoint specialist external support to develop a series of costed design options.</p>
Economic Case	<p>The economic case for the scheme is based on improved walking and cycling access to the rail station and the benefits derived, including improved access to jobs and services, health, user safety and environmental benefits of a shift from car travel.</p> <p>The OBC will quantify benefits of potential solutions, including VfM appraisal and further understanding of how it delivers SEP Headline Indicator outputs.</p>
Financial Case	<p>DfT has provided a grant of £0.7m to be used for the development of an OBC for cycle/walking improvement on the A629, linking Silsden to Steeton and Silsden rail station.</p> <p>The OBC will identify delivery funding sources.</p>
Management Case	<p>The OBC development is to be project managed by CBMDC with input from internal and external resources.</p> <p>The EoI has included a breakdown of costs for OBC development work and an indicative timeframe.</p> <p>An outline risk register has been provided in the EoI and this will be developed further as part of OBC work.</p> <p>An indicative programme timeline for Activities 4- 8 including monitoring and evaluation has been provided. This is expected to be developed through OBC work.</p>

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Scheme Summary

Name of Scheme:	East Leeds Orbital Ring Road – Outer Ring Road Junctions
PMO Scheme Code:	WYTF-PA4-025b
Lead Organisation:	Leeds City Council
Senior Responsible Officer:	Oliver Priestley
Lead Promoter Contact:	Oliver Priestley
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):	14 th December 2017
Forecasted Completion Date:	April 2019
Total Scheme Cost (£):	£14.046m
WYCA Funding (£):	£14.046m
Total other public sector investment (£):	£0
Total other private sector investment (£):	£0
Is this a standalone Project?	No
Is this a Programme?	No
Is this Project part of an agreed Programme?	East Leeds Orbital Ring Road
Current Funding Allocation:	£10.65m

Current Assurance Process Activity:



Scheme Description:

East Leeds Orbital Ring Road (ELOR) is a new 7km road linking the Orbital Ring Road (ORR) at Red Hall, around the east side of Leeds to Thorpe Park. This will be a 50mph dual carriageway with pedestrian and cycle infrastructure. The ELOR package also includes improvements to the A6120 and sections of the Outer Ring Road (ORR) to the West of Red Hall Lane. The ORR sections are being procured through the same construction package but will be delivered as an early phase of construction.

The project has not changed since it was approved at Gateway 1 (GW 1). Further work has been undertaken since GW1 to complete engineering, design, public consultation and preparation for planning and procurement. The scheme remains as previously outlined but there is now greater certainty of cost and deliverability.

Leeds City Council (LCC) have agreed to bring forward the Outer Ring Road elements of the ELOR package in order to accelerate delivery of the scheme. This paper is being brought forward under the PMO process at decision point 5, (Full Business case + costs) for the advanced junctions only.

During this Appraisal process it has been identified that the full re-modelling of the scheme which should have been made available at FBC (full business case) is not yet completed. LCC have been under constraints resulting from the availability of the new Leeds Transport Model (LTM). This new model is not yet fully available and therefore the intention is that the full ELOR scheme is re-modelled as soon as the LTM is available and a revised decision point 4 is submitted then with a full appraisal of the Business Case. Providing a FBC using the old model would not have given any different outcomes from those provided in previous Gateway papers and Outline Business Case.

The ELOR scheme is to support the development of East Leeds Extension. This is a 225ha major housing development area to the East of Leeds, and a 638ha development area for employment uses. The local development framework core strategy for Leeds district sets out the broad spatial and planning use framework for the Leeds District to 2028. Central to the delivery of this strategy is the need to plan for the people and places of Leeds in a sustainable way and to meet the needs of anticipated population growth through the allocation of land for 70,000 new dwellings over the plan period.

The ELOR package is key to unlocking the necessary development land to enable this strategy to be realised.

The junction improvements support the delivery of the main ELOR scheme and will result in improved traffic flows and reduced congestion along the ORR.

Business Case Summary:

Strategic Case	<p>The justification of the strategic case for these advanced junctions work has not been undermined in this FBC submission. The information set out in the February 2017 submission remains valid, with the following additional beneficial information now being presented in this activity 5 FBC submission:</p> <ul style="list-style-type: none"> • The junctions have been designed to reflect 'Green Street' principles. This will ensure the final designs complement and enhance existing levels of green infrastructure both at the affected junctions and along the route. This will support WYCA Policy and will support improved air quality and public acceptability • The final junction designs provide significant enhancements for pedestrian and cycle activity, along with bus detection and priority on the key radial routes. These junctions currently provide poor levels of accessibility, with associated safety, severance and air quality issues • The final junction design offer significantly expanded highway capacity which will eliminate congestion, and provide expanded highway capacity, reduced delays and provide safer traffic interactions for local, longer distance and strategic traffic movements. • The wider network enhancements will provide wider network improvements to key growth destinations including the Airport, Thorpe Park and East Leeds Extension (ELE) • The design of the junctions in question has been undertaken to reflect the potential demand assuming the rest of the ELOR project is completed and ELE is delivered. This is a sensible approach and, while the economic case is not predicated on these assumptions (see below), the additional capacity of the junctions will not be compromised • The continuation of junction improvements along the Northern Outer Ring Road compliments improvements at other junctions that have been upgraded recently (Horsforth Roundabout and Rodley Roundabout) or are included in other ongoing programmes (e.g. the Corridor Improvement programme includes Dawsons Corner and Fink Hill). • One 'missing' junction in this overall NORR strategy is the A660/A6120 (Otley Road) junction which was to have been included in the Bew Generation Transport (NGT) project, but which is now being considered as part of the Leeds Public Transport Investment Programme (LPTIP) programme
Commercial Case	<p>Following the recommendations from Programme Appraisal Team (PAT) in February 2017, LCC have been through a robust process to base costing for the construction of these junctions on tendered prices. Following a fully compliant EU Procurement Processes and a pre-qualification process a total of 12 returns were received and short-listed to 6 tenderers. LCC have evaluated the 6 returns and are now able issue a contract. This will need to be done by 28 December in order to hold the quoted prices. This is clearly dependent upon getting West Yorkshire Combined Authority (WYCA) approval for the release of funds (due at the December meeting).</p>

	<p>The advance junction construction works will be procured as a New Engineering Contract 3 (NEC3) Engineering and Construction Contract Option C. This will be a target contract with an activity schedule.</p> <p>An approach to risk allocation and transfer has been included within the contract to reflect ongoing risks covering: engineering, planning and site supervision, statutory undertakers. Ground conditions and contractual/construction issues. A Contract length has been identified of around 15/16 months, from being on site in January 2018 to completion during April 2019. The robust approach will include an approach to share saving and fund additional costs which will manage to reduce potential costs increases, based around a shared approach to pain/gain.</p> <p>Commercially LCC are well experienced in managing significant highway improvement works, particularly while maintaining on-going traffic operations. LCC will continue to develop and deliver the project using PRINCE methodology.</p>
Economic Case	<p>The scale of additional capacity and the design specification for these junctions has been based on future scenarios which include additional demand generated by ELOR and the new housing it unlocks. However the quantification of the benefits are set against that level of additional travel; demand not occurring.</p> <p>In summary, the design (and costs) are future-proofed to accommodate full growth, while the benefits are limited to background growth traffic only. This is very prudent/conservative approach to economic appraisal and gives a very conservative set of Benefit to Costs (BCRs).</p> <p>The danger of this approach is that if the remainder of the ELOR projects (and the ELE housing growth) does not occur, then the advance junctions would be over-designed. However the scale of BCR (even with high costs and low benefits) suggest that they would continue to offer 'good value for money' even if the full scheme does not proceed.</p> <p>The quantification of costs used in the production of a BCR is well set out. The delivery/construction costs are clearly robust, coming as they do from tendered cost estimates. The construction costs include additional cost to determine a present value of whole life costs. These cover: operating costs, major maintenance (regular and appropriate resurfacing and reconstruction), non-highway maintenance (e.g. lighting, drainage, signals, landscaping). The</p>

	<p>provision of these new junctions will actually reduce ongoing operating costs when compared to the 'Do Minimum' scenario which will result in ongoing revenue savings for LCC. (circa £200,000 per year).</p> <p>All these whole life costs have been calculated using local data and supplemented/validated using WebTAG values where appropriate.</p> <p>The value of benefits has been calculated following discussion with WYCA officers. Each junction has been assessed using standard junction software models (namely ARCADY and TRANSYT), under before and after scenarios. Impacts have been modelled for weekday AM, Inter Peak and PM peak hours. These have then been 'annualised' using local data in a conventional and well established way.</p> <p>The modelling forecasts significant time savings, accident reductions and significantly reduced congestion, from the modelled forecast years of 2021 and 2036. This is most apparent in the AM and PM peak hours.</p> <p>The benefits have been modelled without the ELE and the rest of ELOR being in place. If this scenarios had been modelled, the benefits would be even higher. As is standard, a 60 year appraisal period has been used.</p> <p>The overall BCR value for money measure, using these conservative level of benefit is 2.34:1, with a Present value of benefits (PVB) of £28.0m against a Present Value of Costs (PVC) of £11.8m. The BCR has been calculated for the three junctions as a package, and is not presented discretely for each junction. This is appropriate given the strategic approach would require full treatment along the whole corridor. Moreover the benefits do not include accident savings which would arise from the signalisation of the existing roundabouts, and the provision of dedicated cycle and pedestrian phases which are not in place in the current layouts. Including these benefits would further increase the BCR.</p>										
Financial Case	<p>The cost for the construction of these three advance junctions are informed by tendered returns, and are broken down into the following:</p> <table border="1"> <tr> <td>Works estimate</td><td>£8,250,000</td></tr> <tr> <td>Preliminaries and ancillary works</td><td>£300,000</td></tr> <tr> <td>Statutory undertakers</td><td>£3,000,000</td></tr> <tr> <td>Land and property</td><td>£0</td></tr> <tr> <td>Supervision and management</td><td>£700,000</td></tr> </table>	Works estimate	£8,250,000	Preliminaries and ancillary works	£300,000	Statutory undertakers	£3,000,000	Land and property	£0	Supervision and management	£700,000
Works estimate	£8,250,000										
Preliminaries and ancillary works	£300,000										
Statutory undertakers	£3,000,000										
Land and property	£0										
Supervision and management	£700,000										

	Sub Total	£12,250,000
	Inflation	£28,987
	QRA	£1,767,260
	TOTAL	£14,046,247
	<p>Land is in at zero cost, in that no further land will be required from third parties and is fully available to deliver the junction improvement works since it is in LCC ownership.</p> <p>Funding for these advance works is available from the Transport Fund element of the Growth Fund allocation, but LCC need to provide reassurance that they will still be able afford the overall costs of delivery of the project with a capped total of funding being available from the growth fund.</p> <p>Providing funding for these advance junction works at the scale of funding requested, would leave a balance of some £55m available to provide to LCC to co-fund the development and delivery of the balance of the project.</p> <p>LCC have previously identified that the combination of Transport Fund allocations, third party funding and funds generated from a local 'roof tax' on houses within the ELE will meet the overall funding requirements for the delivery of the wider ELOR project including these advance junction works.</p>	
Management Case	<p>From a management point of view, LCC have an established, proactive and very active governance structure in place. They will continue to manage the delivery of this project on time and on-budget. They have recent and relevant experience in managing significant highway improvement works, particularly while maintaining on-going operations. The team involved have overseen the in highway delivery of significant junction improvements over recent years, e.g. A65 Kirkstall Road, Rodley Roundabout and Thornbury Roundabout, all of which were delivered to time and budget.</p> <p>Moreover, the governance and management of the construction works will be supported by WSP who working collaboratively with LCC as their Strategic Partner.</p> <p>The ELOR (incorporating these advance junctions) is a key priority for LCC, unlocking 5,500 new homes and contributing to LCC housing targets. It is strong backing at all levels of the Council and is being effectively managed and supported at the highest level.</p>	

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Name of Scheme:	Burberry Global Shared Services Centre(formerly Project Primrose)
PMO Scheme Code:	GD-PA1-010
Lead Organisation:	Burberry Ltd.
Senior Responsible Officer:	TBC
Lead Promoter Contact:	TBC
Applicable Funding Stream:	GD3 Strategic Inward Investment Fund
Growth Fund Priority Area (if applicable):	Priority 1
Forecasted Full Approval Date (Decision Point 5):	13 th October 2017
Forecasted Completion Date:	March 2019
Total Scheme Cost (£):	£16.716m
WYCA Funding (£):	£1.500m
Total other public sector investment (£):	0
Total other private sector investment (£):	£15.216m
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.
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 from Burberry Ltd 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 10-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. These jobs will be retained until at least 2024. 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 £1.500m would be combined with the applicant's funds of £15.216m in order to fund the fit out, furnishing and installation of required IT equipment at the Central Leeds office premises and the capitalisation of a 10 year lease.

Grant funding is required to strengthen the Leeds business case, which although strategically beneficial to the company, was financially less attractive than the alternative. Grant support was 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

Following Decision point 4 (Full Business Case Approval), WYCA made a Funding In Principle offer (subject to agreement of grant conditions) to Burberry. The strength of the business case for Leeds City Region, including the availability of skilled labour and the strength of the economy, contributed to the announcement that Leeds had been selected as their chosen location for the project. 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 elements of the capital expenditure associated with the building fit out, and elements of the initial lease rentals over the ten year term of the proposed lease.

Business Case Summary:

Strategic Case	<ul style="list-style-type: none"> • 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 developed detailed business cases for locating the Global Shared Services Centre in either Leeds or an alternative European location. • The Shared Services facility will 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 £16.716m. This would cover on the Leeds premises refit and expenditure on 10 year lease costs. • The scheme would predominantly be funded from the applicant's operating cashflow. . Grant support from the Combined Authority would contribute to initial project costs, supporting the overall business case for the project. • 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 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 grant support offered by the Combined Authority contributed to attracting Burberry to Leeds, increasing their overall headcount in the City Region and in the UK.
Commercial Case	<p>If Funding In Principle Offer had not been made in April, it would have been unlikely that the scheme would be located in Leeds, and would instead be located in an alternative European location.</p> <p>As the scheme involves relocating existing business functions to a new location, there will be demand for the premises once they are operational.</p> <p>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.</p> <p>The applicant has identified locally based delivery partners to co-ordinate the premises refurbishment, and have negotiated Heads of Terms on potential premises.</p>
Economic Case	<p>The scheme would result in 329 FTE jobs being located within Leeds. These will be relatively well paid and sustainable in the long-term</p> <p>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.</p>

	<p>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.</p> <p>Of the 2 locations considered, the alternative was financially favourable. The cost differential between Leeds and the other location is £3.8m based on a 10 year NPV calculation. Therefore the grant support of £1.5m is required to reduce the cost gap.</p>
Financial Case	<p>The project has a calculated outturn capital cost of £16.716m which would fund expenditure of the fit out, furnishing and installation of required IT equipment at the Central Leeds office premises and the capitalisation of a 10 year lease. The fit out costs have reduced since the original application.</p> <p>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.</p> <p>The project has a clear cash flow set out.</p> <p>The project will be funded through £15.2m 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.</p>
Management Case	<p>The project had a clear delivery plan, of which a number of milestones have been delivered, it can be summarised as:</p> <ul style="list-style-type: none"> • In principle grant offer from WYCA – 21st April 2017 • Applicant's decision on location of Global Shared Services Centre - Late April 2017 • Applicant's 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 – 8th October 2017 • Initial 329 roles recruited to/ transferred to Leeds Premises - September 2018 • Further c.150 roles recruited to/ transferred to Leeds Premises - 31st March 2019 <p>The project will be delivered by the applicant with support from Building Works Delivery Partner and Business Transformation Delivery partner.</p> <p>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.</p> <p>The project has a risk register and have made provision for a risk allowance within their premises refit cost plan.</p>

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Scheme Summary

Name of Scheme:	Digital Soft Landing Scheme (DSSL)
PMO Scheme Code:	GD-PA1-008
Lead Organisation:	West Yorkshire Combined Authority
Senior Responsible Officer:	David Shepherd
Lead Promoter Contact:	Samuel Lewis
Applicable Funding Stream:	Growth Deal
Growth Fund Priority Area (if applicable):	Priority 1
Forecasted Full Approval Date (Decision Point 5):	29 Sept 2017 MD approval
Forecasted Completion Date:	01.04.2021
Total Scheme Cost (£):	1,000,000
WYCA Funding (£):	1,000,000
Total other public sector investment (£):	0
Total other private sector investment (£):	0 (£730k private sector investment levered)
Is this a standalone Project?	No - share costs of new post with Strategic Inward Investment Project
Is this a Programme?	No
Is this Project part of an agreed Programme?	No
Current Funding Allocation:	Has any funding already been allocated to this scheme? Yes total £13.45m (of which £12.45m on Strategic Inward Investment Fund) If a project which is part of agreed programme, what is the total programme allocation as well? N/A

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 classed as EU de minimis Aid, this allows the public sector support up to a maximum of €200k 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 35 strategic digital and technology inward investing businesses new to the City Region.

Business Case Summary:

Strategic Case

The strategic case is clearly set out to illustrate that the objectives of the scheme meet the SEP requirements for business growth and job creation. Also to target the digital business sector to further support SEP delivery. Direct intervention for inward investment from digital sector companies to support growth of the City Region's economy.

Commercial Case

Market demand is shown in the form of the 2016 City AM report identifying demand for property for digital sector business expansion in London is outstripping supply. Additionally current inward investment enquiries from digital businesses supports the evidence of demand.

Economic Case	<p>Short list options testing has been carried out with one clear preferred option.</p> <p>The Regional Econometric Model (REM) has been used to consider value for money and cost per job.</p> <p>The scheme provides good value for money and GVA growth resulting from the number of jobs created. There are also a number of wider benefits – around clustering of digital sector businesses, growing the attractiveness of LCR as a digital business location.</p>
Financial Case	<p>£730k to be provided in direct grants to businesses, the remaining £270k is allocated to the management and scheme development costs as well as additional legal and state aid advice as necessary.</p> <p>This inward investment package has the ability to lever a further £730k of investment from the private sector to improve jobs and skills within the City Region.</p>
Management Case	<p>Delivery of this scheme will be through the existing Inward investment team, with the additional of the appointment of a Grant Fund Manager (half of the costs for this are included within the £270k management costs, the other half by Strategic Inward Investment Scheme).</p> <p>There are internal processes still to be established (Project Board etc) however there is a delivery plan in place.</p>

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Director: Sue Cooke, Executive Head
of Economic Services
Author: David Moore



Report to: West Yorkshire and York Investment Committee

Date: 9 November 2017

Subject: Provision of a Grant to Project Beta

1 Purpose

- 1.1 To inform the Committee of the situation relating to Project Beta and propose support to the future provision of grant funding of up to £3 million.

2. Information

- 2.1 Project Beta relates to an application from a company seeking support to establish a new UK based, drug manufacturing facility. Subject to regulatory approval these drugs could treat a wide range of difficult to treat human conditions, particularly in children. The Leeds Enterprise Zone was put forward as a location for this company and detailed dialogue has taken place with Leeds City Council and the LEP about funding to help to support the project. The scale of investment required will require a cocktail of funding which may involve both the LEP and Government alongside any private investment to secure the development. The company is expected to make a final decision shortly about their preferred location in the UK. The plant could create c£1bn growth each year for the city region and rates estimated at c£1m per annum which will be retained by the LEP until 2037.
- 2.2 At the meeting of WYCA on 2 February 2017, Project Beta was accepted as a good strategic fit with the Strategic Economic Plan and it was accepted into the pipeline and approved to continue to Activity 4 (full business case) of the Assurance Framework in order to define the amount of funding required and the details of the project.
- 2.3 The project has been the subject of close communication between WYCA Officers, Leeds City Council (LCC) officers and the company throughout 2016 and 2017 and the nature of the support requested has changed through negotiations with the company. The company now requests a £3m grant, which is seen as an important part of a wider regional offer to the applicant to enable the company to commit to locating the facility in Leeds.

3 Financial Implications

- 3.1 That allowance is made within WYCA's Strategic Inward Investment Fund for a grant of up to £3 million for Project Beta. Continued support and approval of this grant will be subject to the application's progression through the WYCA Assurance Process.

4 Legal Implications

- 4.1 The information contained in **Appendix 1** 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.
- 4.2 WYCA has signed a Non-Disclosure Agreement with the company.

5 Staffing Implications

- 5.1 None

6 External Consultees

- 6.1 WYCA officers continue to work closely with Project Beta and Leeds City Council (LCC) on this project.

7 Recommendations

- 7.1 That Investment Committee recommend to WYCA that:
- Support in principle is given to the provision of grant funding of up to £3 million to Project Beta subject to the scheme's progression through the WYCA Assurance Process.

8 Background Documents

- 8.1 None

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Director: Melanie Corcoran,
Director of Delivery
Author: Chris Brunold



Report to: West Yorkshire and York Investment Committee

Date: 9 November 2017

Subject: GPF 102 Provision of Support Grant

1 Purpose

- 1.1 To inform the Committee of the situation relating to GPF Loan 102 and to propose the provision of grant funding of up to £50k.

2 Information

- 2.1 On 4 January 2017, the Investment Committee considered the situation relating to the loan and following the recommendation from the Business Investment Panel that grant funding of £200k was provided, the Committee recommended that £150k should be provided early in 2017 and that an additional £50k should be retained for consideration at a later point in 2017/8 or 2018/9.
- 2.2 The project has been the subject of close communication and careful monitoring with Wakefield Council throughout 2017. The Business Investment Panel has been reviewing the ongoing developments each month and monitoring the associated level of risk at the project.
- 2.3 An item at Business Investment Panel on 17 October 2017 will propose that further grant funding of up to £50k is provided in the near future. The proposal for the grant will recommend the grant be released only in a specific set of circumstances and with certain conditions that the Panel will be asked to confirm.

3 Financial Implications

- 3.1 That up to £50k is made available to project 102 as a grant and this comes from Growing Places Fund capital.

4 Legal Implications

- 4.1 The information contained in **Appendix 1** 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 None

6 External Consultees

6.1 WYCA officers continue to work closely with Wakefield Council and other funders of the project.

7 Recommendations

7.1 To recommend the provision of grant funding of £50k to support LEP Loan 102. It is recommended that this grant and details of the final terms and conditions be progressed through delegation to the Managing Director.

8 Background Documents

8.1 Appendix 1

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Director: Angela Taylor,
Director Resources
Author: Heather Waddington



Report to: West Yorkshire & York Investment Committee

Date: 9 November 2017

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

1. Purpose

- 1.1 To consider the outline applications for SUD, part of the ESIF Programme, and provide advice to WYCA, in its role as the Intermediate Body.

2. Background

- 2.1 On 8 March 2017, the Investment Committee considered and noted the roles and responsibilities relating to Intermediate Body (IB) status delegated to West Yorkshire Combined Authority (WYCA) in order to deliver the SUD Strategy, part of the ESIF Programme.
- 2.2 The Committee, in its advisory role, provided advice on the draft SUD Call at its meeting in June 2017, which was subsequently agreed by WYCA, at the 29 June 2017 meeting, for it to be published July 2017 by the Managing Authority (MA), Department for Communities and Local Government (DCLG).

3. The Call for SUD Outline applications

- 3.1 The Call was published on Monday 3 July 2017, earlier than expected. The Call closed on Friday 29 September 2017 for outline applications. In response to this Call five outline applications have been received and which are presented to the Investment Committee. Advice of the IC is sought to support WYCA, acting as the Intermediate Body for SUD, to inform its decision(s) with regard to project selection.
- 3.2 The assessment of the outline applications are attached to this report as Exempt **Appendices 2-6** together with a covering note (Exempt **Appendix 1**). The Investment Committee is requested to consider the content of the outline assessments and the suggested prioritised list, and provide advice with a view to

recommending the list of prioritised projects for selection to WYCA at its meeting on 14 December 2017.

4. Selection Process and Assessment Form

- 4.1 The selection process for SUD, part of the ESIF programme has been set out in guidance notes issued to the IB by DCLG, as the MA.
- 4.2 The IB will assess each outline application for local strategic fit based on the Leeds City Region ESIF SUD Strategy. In considering the strategic fit a qualitative approach will be used to assess the following to come to an overall view:
- Does the proposed operation contribute to the needs/opportunities identified in the Call to which it is responding?
 - Does the proposed operation align to the local growth needs set out in the local ESIF (SUD) Strategy?
- 4.3 In addition WYCA as IB will take in to account advice from the IC to support the MA's assessment of:
- 4.4 **Value for money** – the operation must represent value for money. In assessing value for money, the MA takes account of:
- efficiency: the rate/unit costs at which the operation converts inputs to the fund outputs
 - economy: the extent to which the operation will ensure that inputs to the operation are at the minimum costs commensurate with the required quality
 - effectiveness: the extent to which the operation contributes to programme output targets, results and/or significant strategic impact at the local level
 - that the investment will deliver activities and impacts that would not otherwise take place
- 4.5 **Deliverability**
- The operation is deliverable within the requirements of the fund specific operational programme taking account risks, constraints and dependencies
 - Evidence has shown that this type of operation is effective, the risks have been considered and appropriate mitigations put in place.
- 4.6 Assessment forms are designed and owned by DCLG. The Assessment form is split in to 5 sections and each completed by either the IB or the MA as follows;
- Part 1, summary project details – completed by DCLG
 - Part 2, the gateway assessment - completed by DCLG
 - Part 3, the IB's assessment – completed by WYCA
 - Part 4, the MA's assessment - completed by DCLG
 - Part 5, selection decision – completed by WYCA (5a) and DCLG (5b).

Following the Investment Committee's advice the IB will finalise its assessment and advice to the MA and make its selection decision and forward the form to the MA, who will then finalise its assessment (taking account of the advice provided by the IB), and make its selection decision.

5. Undertaking the Assessment

- 5.1 In line with the agreed WYCA IB Conflict of Interest Statement and Operating Protocol previously reported to the Committee, all outline applications have been considered by the Appraisal Team, under the responsibility of the Head of Research and Intelligence, WYCA, who have undertaken their own assessment in line with the criteria outlined above. Their findings are presented to the Investment Committee at the meeting. Where projects are flood related the Environment Agency has also been consulted with regard to deliverability. In addition to officers from the Appraisal team the MA will also be in attendance and can respond to questions raised by members regarding the assessment as required.
- 5.2 Only projects that pass both the IB's and the MA's selection criteria will be invited to submit a full application. A failure to meet either the IB's or the MA's selection criteria will result in rejection of the project.
- 5.3 If the total value of projects that pass both the IB's and the MA's selection criteria does not exceed the budget attached to the Call the MA will invite full applications for these projects.
- 5.4 However if the total value of projects that pass both the IB's and MA's selection criteria exceeds the indicative budget attached to the Call the MA, taking into consideration the IB's decision in respect of local strategic fit, will reconcile the projects to the budget. If the over bid against the indicative allocation for the Call is modest, and or there appears to be a high risk that a number of projects may fail to progress, the MA, may in consultation with WYCA, choose to invite projects with a total value greater than the indicative allocation to the Call to proceed to full application in expectation that some will fail to proceed and or projects will be prioritised post appraisal.
- 5.5 If these steps do not resolve the overbid the MA will undertake a reconciliation of the IB's and its own prioritised lists.
- 5.6 Having concluded the assessment process, including any reconciliation to budget, the MA will determine which projects may proceed and be invited to submit a full application and which will be rejected. The MA will, in the spirit of joint working, report back to WYCA at the conclusion of this reconciliation to clarify its decision(s).

6. Risks

- 6.1 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.

7. Benefits

- 7.1 SUD will provide project grant funding of €19.5m (Est. £15.5m) in support of key projects to support the delivery of the ESIF Strategy and the Strategic Economic Plan.

8. Financial Implications

- 8.1 DCLG, as MA for the funds, is 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 DCLG's accounts not WYCA's.

9. Legal Implications

- 9.1 The information contained in **Appendices 1 to 6** 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.

10. Staffing Implications

- 10.1 None

11. Recommendations

- 11.1 That the Committee consider the outline applications and the respective prioritised project list for SUD, part of the ESIF Programme, and provide advice to WYCA, in its role as Intermediate Body.



**DRAFT MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON THURSDAY, 21 SEPTEMBER 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor Shabir Pandor	Kirklees Council
Simon Pringle	Project Rome
Councillor Graham Swift	Harrogate Borough Council
Simon Wright (via telephone)	Yorkshire Bank

In attendance:

Ken Brockbank	WYCA
Chris Brunold	WYCA
Phil Cole	Leeds City Council
Neill Fishman	WYCA
Lorna Holroyd	WYCA
Paul Hyde	Leeds City Council
Henry Rigg	WYCA
David Shepherd	WYCA
Dathan Tedesco	WYCA
Kate Thompson	WYCA

1. Apologies for absence

Apologies were received from Councillors Judith Blake and Tim Swift.

In the absence of Councillor Judith Blake the chair was taken by Roger Marsh.

The chair thanked Simon Wright for taking the time to dial in to the meeting and welcomed Simon Pringle back to the panel after a hiatus.

2. Declarations of disclosable pecuniary interests

Roger Marsh made members aware of his connection to project 1093532, at appendix 3 of agenda item 6, and offered to leave the meeting during discussion and consideration of the grant application.

3. Exempt information - exclusion of the press and public

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 1 to Agenda Item 4, Appendix 2 to Agenda Item 5, Appendices 1, 2, 3 and 4 to Agenda Item 6 and Appendices 1 and 2 to Agenda Item 7 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 Investment Panel held on 20 June 2017

Resolved: That the minutes of the Investment Panel held on 20 June 2017 be approved.

5. Strategic Inward Investment Fund Update

The Panel considered a report of WYCA's Executive Head of Economic Services outlining the establishment of the Growth Deal 3 (GD3) Strategic Inward Investment Fund (SIIF) and the progress of the fund thus far.

The GD3 settlement from Government included £13.45m of funding for inward investment, £12.45m of which has been allocated to the SIIF.

The scheme will provide the region with a funding stream to support significant inward investment projects locating in Leeds City Region, enabling the region to compete more effectively against international locations for job creation projects. Awards will be made based on a formal application process and with applications considered by the Business Investment Panel and Investment Committee.

That Panel was also asked to consider the suitability of one project for the SIIF, as detailed at appendix 2 of the submitted report, in private session.

Resolved:

- (i) That the establishment of the SIIF, its progress thus far, and the role of the Panel in considering applications to it be noted.
- (ii) That in relation to project 1094369, as detailed at appendix 2 of the submitted report, officers progress the application and bring an updated proposal to a future meeting.

6. Business Grants Programme Update

The Panel considered a report of WYCA's Executive Head of Economic Services providing an update on the current position regarding progress in committing grants

through the LEP Business Grants Programme (BGP).

As well as an update on expenditure and achievement targets for the BGP the Panel were provided with an analysis of current big scheme projects and updates on previously approved projects as private appendices.

That Panel was also asked to consider two new scheme applications, as detailed at appendices 2 and 3 of the submitted report, in private session. For consideration of project 1093532, at appendix 3, panel member Roger Marsh left the room and the chair was taken by Councillor Graham Swift.

Resolved:

- (i) That the BGP update and updates on previously approved projects, as detailed at appendix 1 of the submitted report, be noted.
- (ii) That the analysis of the big scheme projects, as detailed at appendix 4, be noted.
- (iii) That in relation to project 1094921, as detailed appendix 2, officers re-assess the application and bring an updated proposal to a future meeting.
- (iv) To recommend project 1093532, as detailed at appendix 3, for approval.

7. Growing Places Fund Loans Update

The Panel considered a report of WYCA's Director of Delivery providing an update on progress in committing loans through the LEP Growing Places Fund (GPF).

As well as an update on targets for the GPF the Panel were provided with a progress report on two previously considered loans and on the progress of several live loans with changed circumstances or risk, detailed in private appendices.

The Panel was also asked to consider the scope of a review of the GPF and how one might be drawn up.

Resolved:

- (i) That the update on progress in committing loans through the GPF be noted.
- (ii) That the update on the progress of two proposed loans previously considered by the panel, as detailed in appendix 1 of the attached report, be noted.
- (iii) That the update on the progress of several live loans with changed circumstances or risk, as detailed in appendix 2 of the attached report, be noted.
- (iv) That the emerging scope of, and basis for a review of the GPF be noted.

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**DRAFT MINUTES OF THE MEETING OF THE
BUSINESS INVESTMENT PANEL
HELD ON TUESDAY, 17 OCTOBER 2017 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Tim Swift

Michael Allen

Councillor Shabir Pandor

Councillor Graham Swift

Calderdale Council

NatWest Bank

Kirklees Council

Harrogate Borough Council

In attendance:

Ken Brockbank

Chris Brunold

Phil Cole

Melanie Corcoran

Neill Fishman

Lorna Holroyd

Paul Hyde

Dathan Tedesco

WYCA

WYCA

Leeds City Council

WYCA

WYCA

WYCA

Leeds City Council

WYCA

1. Apologies for absence

Apologies were received from Councillor Judith Blake, Roger Marsh, Simon Pringle and Simon Wright.

In the absence of Councillor Judith Blake the chair was taken by Councillor Tim Swift.

The chair welcomed Michael Allen to his first Panel meeting.

2. Declarations of disclosable pecuniary interests

None were declared.

3. Exempt information - Exclusion of the press and public

Resolved: That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 2 of Agenda Item 5, Appendices 1, 2 and 3 of Agenda Item 6 and Appendices 1, 2 and 3 of Agenda Item 7 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 Business Investment Panel held on 21 September 2017

Resolved: That the minutes of the Business Investment Panel held on 21 September 2017 be approved.

5. Strategic Inward Investment Fund Update

The Panel considered a report of WYCA's Executive Head of Economic Services providing an update on the current position regarding progress in committing grants and meeting expenditure and achievement targets through Strategic Inward Investment Fund (SIIF).

The Panel was also asked to consider the suitability of one project for the SIIF, 1094369, as detailed at 3.1 and appendix 2 of the submitted report, in private session.

Resolved:

- (i) That members note the update on the SIIF.
- (ii) To recommend application 1094369, as detailed at 3.1 and appendix 2, for approval, subject to the completion of the internal assurance process.

6. Business Grants Programme Update

The Panel considered a report of WYCA's Executive Head of Economic Services providing an update on the current position regarding progress in committing grants and meeting expenditure and achievement targets through the LEP Business Grants Programme (BGP).

That Panel was asked to consider one new application, 1092838, as detailed at 3.1 and in appendix 1 of the submitted report, and to re-consider 1093921, at 3.1 and appendix 2, in private session.

Also in private session, the Panel received a progress update on project 1093532, which had been considered at the last meeting.

Resolved:

- (i) That the BGP update be noted.

- (ii) That the update on the progress of project 1093532 be noted.
- (iv) To recommend application 1092838, as detailed at 3.1 and appendix 1, for approval.
- (iii) That application 1093921, as detailed at 3.1 and appendix 2, not be progressed through the BGP but that officers assess its suitability for a GPF Loan.

7. Growing Places Fund Loans Update

The Panel considered a report of WYCA's Director of Delivery providing an update on progress and targets towards committing loans through the LEP Growing Places Fund (GPF).

The Panel was also asked to consider the suitability of one new project, 319, for the GPF in private session, as detailed at 3.1 and appendix 1 of the submitted report. Members were asked to consider whether or not the project merited a full appraisal, which could then be presented to a future panel meeting.

Also in private session, the Panel were provided with a progress report on two previously considered loans, as detailed at 4.1 and appendix 2, and on the progress of several live loans with changed circumstances or risk, as detailed at 5.1 and appendix 3.

Resolved:

- (i) That the update on progress in committing loans through the GPF be noted.
- (ii) That project 319, as detailed at 3.1 and appendix 1, be appraised in full and presented at a future panel meeting.
- (iii) That the update on the progress of two proposed loans previously considered by the panel, as detailed at 4.1 and appendix 2, be noted.
- (iv) That the update on the progress of several live loans with changed circumstances or risk, as detailed at 5.1 and appendix 3, be noted.

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