

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE
HELD ON WEDNESDAY, 7 NOVEMBER 2018 AT COMMITTEE ROOM
A, WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Peter Box CBE (Chair)
Roger Marsh OBE (Deputy Chair)

Councillor Barry Collins
Councillor Ian Gillies
Councillor Richard Lewis
Councillor Peter McBride
Councillor Alex Ross-Shaw

Wakefield Council
Leeds City Region Enterprise
Partnership
Calderdale Council
City of York Council
Leeds City Council
Kirklees Council
Bradford Council

In attendance:

Councillor Kim Groves	Chair, Transport Committee (to minute 30)
Councillor Eric Firth	Deputy Chair, Transport Committee (to minute 30)
Peggy Haywood	MHCLG (minute 30 only)
Melanie Corcoran	West Yorkshire Combined Authority (to minute 30)
Angela Taylor	West Yorkshire Combined Authority
Dave Haskins	West Yorkshire Combined Authority (to minute 27)
Sarah Ratcliffe	West Yorkshire Combined Authority (to minute 27)
Henry Rigg	West Yorkshire Combined Authority (minute 27 only)
David Shepherd	West Yorkshire Combined Authority (minute 27 only)
Tom Murphy	West Yorkshire Combined Authority (minute 27 only)
Heather Waddington	West Yorkshire Combined Authority (minute 30 only)
Ruth Chaplin	West Yorkshire Combined Authority

22. Apologies for Absence

Apologies for absence were received from Councillor Denise Jeffery.

23. Declarations of Disclosable Pecuniary Interests

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

24. 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 6, Appendix 1 to Agenda Item 8 and Appendix 2 to Agenda Item 9 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

25. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 5 September 2018

Resolved: That the minutes of the West Yorkshire and York Investment Committee held on 5 September 2018 be approved and signed by the Chair.

26. Capital Programme Update

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

The report also provided a more detailed update on the Growth Deal programme and the progress of the Corporate Projects and sought endorsement for two existing projects to come forward for additional funding through over-programming of the Growth Deal.

A summary of the capital programme 2018/19 including the outturn forecast was provided in Table 1 and details of expenditure on the Growth Deal programme in quarter 2 of 2018/19 in Table 2. Expenditure for Growth Deal projects, including the West Yorkshire plus Transport Fund was attached at Appendix 1 and it was reported that a further dashboard detailing performance on projects is currently being reviewed with partner councils and will be reported from quarter. A full update on performance will also be provided at quarter 3 and the current achievement of the programme was outlined in the submitted report.

The report also provided an update on programme expenditure risk and mitigation and it was noted that the total risk to possible underspend had reduced and it is anticipated to drop further as activity progresses.

In respect of over-programming, the Committee considered the following two existing projects which have been identified as able to deliver increased outputs if an increased allocation of funding can be agreed:

- Business Growth Programme
- Resource Efficiency Fund

It was noted that main purpose for allowing over-programming on the two projects is not to over-spend against the programme but to compensate for other areas of the programme that are likely to underspend.

The report also provided an update on the implementation of corporate projects including the Wellington House office accommodation project and the corporate technology programme.

Resolved:

- (i) That the progress made in implementing the Combined Authority Capital Programme be noted.
- (ii) That the Investment Committee recommends to the Combined Authority the approval in principle of additional funding from over-programming for the Business Growth Programme and the Resource Efficiency Fund subject to the appraisal of the additional funding requirements through the assurance process.

27. Future of Growing Places Fund

The Committee considered a report which provided an update on the future of the Growing Places Fund (GPF), which had been considered by the Leeds City Region Enterprise Partnership Board (LEP Board).

At its meeting on 20 September 2018, the LEP Board agreed to use the returned funds from the GPF both to support significant ongoing returnable investment and to provide grant funding in order to drive improved productivity and inclusive growth in the City Region. This was supported in principle by the Investment Committee.

The financial implications associated with the future of the Growing Places Fund were set out in the report considered by LEP Board which was attached at Appendix 1 and the details would be worked through as part of the next steps for the fund.

Further updates would be prepared for the Business Investment Panel.

Resolved: That the report and appendix concerning the future of the Growing Places Fund be noted.

28. Capital Spending & Project Approvals

The Committee considered a report on proposals for the progression of, and funding for, a number of West Yorkshire Combined Authority supported projects, including West Yorkshire plus Transport Fund (Transport Fund) and Growth Fund at stages 1, 2 and 3 of the Combined Authority's assurance process.

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

- Project Lapwing
- A61S Bus Priority Corridor
- Stourton Park and Ride
- Elland Road Park and Ride Phase 3
- Institute of High Speed Railways and System Integration – Phase 1
- Leeds Enterprise Zone Power Solution
- A650 Bradford to Keighley Corridor (Hard Ings)
- York Outer Ring Road Phase 2 (Monks Cross)

The Committee agreed to defer consideration of the Institute of High Speed Railways and System Integration project pending further information.

It was reported that in respect of the Leeds Enterprise Zone Power Solution, approval to proceed to full business case would be subject to a full quote being received from Northern Power grid.

In respect of the York Outer Ring Road Phase 2 (Monks Cross) project, Members were advised of an amendment to the figures in paragraph 2.141 which should read £3.585 million. It was noted that the total project costs remained the same.

The following schemes that have had change request reports assessed in line with the Combined Authority's assurance process were also considered:

- Rail Park and Ride Programme Phase 1
- Outwood Station Park and Ride
- Access to Capital Grants

In respect of the Rail Park and Ride Programme, Members asked that electric charging points be included as part of the projects.

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

- Clean Bus Technology Fund scheme
- West Yorkshire Urban Traffic Management Control project
- ULEV Taxi scheme
- Natural Flood Management – Calder and Colne
- A629 Phase 1a & Monitoring/Evaluation
- A629 Phase 2 (Halifax bus station)

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

In addition, the Committee also noted the decision on the Kirklees College Process Manufacturing Centre which had been delegated to the Combined

Authority's Director of Delivery following a recommendation from the Combined Authority's Programme Appraisal Team. Details of the project were outlined in the submitted report.

Resolved:

- (i) In respect of Project Lapwing, the Investment Committee recommends to the Combined Authority:
 - (a) That the Lapwing project proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval to the Combined Authority's contribution of £1million (which will be funded through the Local Growth Fund's Strategic Inward Investment 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).
 - (c) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

- (ii) In respect of A61S Bus Priority Corridor, Leeds, the Investment Committee recommends to the Combined Authority:
 - (a) That the A61 South project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval to the total project value of £14.15 million is given from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (c) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.

- (iii) In respect of Stourton Park and Ride, the Investment Committee recommends to the Combined Authority:

- (a) That the Stourton Park and Ride project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval is given to the total project value of £30.1 million, of which £27.3 million will be funded by the Combined Authority from the Leeds Public Transport Investment 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). This indicative approval is subject the scheme being successful in gaining ERDF funding for the scheme. In the event that the ERDF bid is not successful an indicative approval of £25.4 million from the Leeds Public Transport Investment Fund will be applied.
 - (c) That further development costs of £635,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs).
 - (d) That the Combined Authority enters into an addendum to the existing funding agreement with Leeds City Council to increase by £635,000 from the Leeds Public Transport Investment Fund.
 - (e) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (iv) In respect of Elland Road Park and Ride Phase 3, the Investment Committee recommends to the Combined Authority:
- (a) That the Elland Road Park and Ride Phase 3 project proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval to the total project value of £5.75 million is given to be funded from the Combined Authority from the Leeds Public Transport Investment Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (c) That further development costs of £165,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) taking the total development cost expenditure approval to £410,000.
 - (d) That the Combined Authority enters into an addendum to the existing Funding Agreement with Leeds City Council to increase by £165,000 from the Leeds Public Transport Investment Fund

for expenditure of up to £410,000.

- (e) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (v) In respect of the Institute of High Speed Railways and System Integration, the item was deferred pending further information.
- (vi) In respect of Leeds Enterprise Zone Power Solution, the Investment Committee recommends to the Combined Authority:
 - (a) That the project proceeds through decision point 4 (full business case) and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval to the total project value of £5 million is given which will be funded by the Combined Authority from the Local Growth fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (c) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (vii) In respect of A650 Bradford to Keighley Corridor (Hard Ings), the Investment Committee recommends to the Combined Authority:
 - (a) That the Hard Ings Road Improvements, Keighley project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval to the total project value of £10.3 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (c) That further development costs of £2.718 million are approved in order to progress the scheme to decision point 5 (full business case with finalised costs) to be funded from the West Yorkshire plus Transport Fund, taking the total project approval to £3.86 million.

- (d) That the Combined Authority enters into an addendum to the existing funding agreement with Bradford City Council for expenditure of up to £3.86 million from the West Yorkshire plus Transport Fund.
 - (e) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (viii) In respect of York Outer Ring Road Phase 2 (Monks Cross), the Investment Committee recommends to the Combined Authority:
- (a) That the York Outer Ring Road Phase 2 project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
 - (b) That an indicative approval to Phase 2 to the value of £3.585 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
 - (c) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (ix) In respect of Rail Park and Ride Programme Phase 1, the Investment Committee recommends to the Combined Authority:
- (a) That the change request to the Rail Park & Ride Programme phase 1 re-programming and re-allocation of funds within the programme is approved. This highlights as to which schemes will progress in phase 1 and which schemes will be moved into phase 2.
 - (b) That development costs of up to £150,000 for the Ben Rhydding scheme from West Yorkshire plus Transport Fund are approved, subject to confirmation from the City of Bradford Metropolitan District Council that land will be made available.
 - (c) That the Rail Park and Ride Phase 1 programme-level expenditure approval will increase from £1.161 million to £1.701 million to be funded from the West Yorkshire plus Transport Fund.

- (d) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (x) In respect of Outwood Station Park and Ride, the Investment Committee recommends to the Combined Authority:
- (a) That the change request to extend the scope at Outwood Rail Station is approved to include the provision of an access road.
- (b) That indicative approval is given to the revised scheme costs of £1.540 million which will be funded from the West Yorkshire plus Transport Fund.
- (c) That additional development costs of £29,400 are approved taking the total expenditure approval for project development to £140,000.
- (d) That the Combined Authority enter into a funding agreement with Wakefield Council for expenditure up to the value of £130,000.
- (e) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the report.
- (xi) In respect of Access to Capital Grants, the Investment Committee recommends to the Combined Authority's Managing Director:
- (a) That the change request to the Access to Capital Grants programme is approved to:
- Assign £1.75 million of the Local Growth Fund as match funding for the capital grants elements of the proposed extension of both Ad:Venture (£1 million from Local Growth Fund) and Digital Enterprise (£750,000 from Local Growth Fund) schemes, and provide confirmation of the match-funding to support bids for the two schemes for European Regional Development Funding to be led by Leeds City Council;
 - Authorise Leeds City Council to manage the capital grants elements of both Ad:Venture and Digital Enterprise schemes on behalf of the Combined Authority and for the benefit of the Leeds City Region.
- (b) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report. This will be subject to the scheme remaining within the tolerances outlined in the report.

29. Leeds City College, Quarry Hill - Project Update

The Committee considered a report which provided an update on progress and the due diligence undertaken in respect of the Leeds City College, Quarry Hill project.

Members discussed the update and financial implications, risks and the drawdown and repayment schedule which were provided in exempt Appendix 1.

It was anticipated that the Quarry Hill project will be completed by August 2019 and ready for use in the 2019/20 academic year.

Resolved:

- (i) That the update on progress and the current status of the Leeds City College Quarry Hill Skills Capital Project be noted.
- (ii) That the Investment Committee recommends delegation to the Combined Authority's Managing Director that a loan agreement for £6.5 million to Leeds City College be entered into and for the College to drawdown against the loan facility, subject to the conditions set out in exempt Appendix 1 and with the addition of a further confirmation as agreed at the meeting.

30. European Structural Investment Fund - Sustainable Urban Development

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

The Committee considered the full application provided in the exempt Appendix 1 which had been considered by the Appraisal Team, under the responsibility of the Head of Research and Intelligence from the Combined Authority. Members discussed the proposals and agreed that they appropriately addressed:

- local domestic priorities, development needs/growth conditions and opportunities.
- the contribution and value for money proposed in the context of the Operational Programme and local ESIF Strategy.
- any local issues that need to be taken into account in the development and/or delivery of the project.

It was reported that the project is considered to be sufficiently developed to enable the Managing Authority to issue a funding agreement subject to the proposed conditions set out in the assessment being fully met.

Resolved: That the Investment Committee recommends to the Combined Authority the full application for the project as set out in the exempt Appendix

1.

31. Minutes of the Business Investment Panel held on 31 August 2018

Resolved: That the minutes of the Business Investment Panel held on 31 August 2018 be noted.

32. Draft Minutes of the Business Investment Panel held on 5 October 2018

Resolved: That the draft minutes of the Business Investment Panel held on 5 October 2018 be noted.