

## **WEST YORKSHIRE COMBINED AUTHORITY**

**MEETING TO BE HELD AT 11.00 AM ON THURSDAY, 1 AUGUST 2019  
IN COMMITTEE ROOM A, WELLINGTON HOUSE, LEEDS**

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### **A G E N D A**

Please note that this meeting will be filmed for live or subsequent broadcast via the Combined Authority's internet site. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. Generally the public seating areas will not be filmed; however by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting. If you have any queries regarding this, please contact Governance Services on 0113 251 7220.

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
  1. To highlight Appendices 1, 2, 3 and 4 to Agenda Item 10 which officers have identified as containing exempt information within the meaning of Schedule 12A to the Local Government Act 1072, 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 4.3 of Agenda Item 10.
  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 1072, the public be excluded from the meeting during consideration of Appendices 1, 2, 3 and 4 to Agenda Item 10 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 COMBINED AUTHORITY HELD ON 27 JUNE 2019**

(Pages 1 - 16)

**For Decision**

**5. CAPITAL SPENDING AND PROJECT APPROVALS**

(Member lead: Cllr P Box, Director: Melanie Corcoran)

(Pages 17 - 50)

**6. HS2 CONSULTATION RESPONSE**

(Member lead: Cllr J Blake, Director: Alan Reiss)

(Pages 51 - 60)

**7. BLAKE JONES RAIL REVIEW**

(Member lead: Cllr J Blake, Director: Dave Pearson)

(Pages 61 - 104)

**8. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2020/21**

(Member lead: Cllr S Hinchcliffe, Director: Angela Taylor)

(Pages 105 - 112)

**9. CORPORATE PLANNING AND PERFORMANCE**

(Member lead: Cllr S Hinchcliffe, Director: Angela Taylor)

(Pages 113 - 122)

**10. TRANSFORMING CITIES FUND**

**For Information**

**11. MINUTES AND NOTES FOR INFORMATION**

(Pages 123 - 124)

**Signed:**



**Managing Director  
West Yorkshire Combined Authority**



**MINUTES OF THE MEETING OF THE  
WEST YORKSHIRE COMBINED AUTHORITY  
HELD ON THURSDAY, 27 JUNE 2019 AT COMMITTEE ROOM A,  
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

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**Present:**

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Judith Blake CBE	Leeds City Council
Councillor Peter Box CBE	Wakefield Council
Councillor Stewart Golton	Leeds City Council
Councillor David Hall	Kirklees Council
Professor Bob Cryan CBE (Substitute)	University of Huddersfield
Councillor Shabir Pandor	Kirklees Council
Councillor John Pennington	Bradford Council
Councillor Jane Scullion (Substitute)	Calderdale Council

**In attendance:**

Councillor Kim Groves	Chair, Transport Committee
Councillor Elizabeth Smaje	Outgoing Chair, Overview & Scrutiny Committee
Ben Still	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Ruth Chaplin	West Yorkshire Combined Authority

**1. Membership of the West Yorkshire Combined Authority**

The Combined Authority considered a report of the Director of Corporate Services in respect of the following:

- The appointment of members and substitute members to the West Yorkshire Combined Authority (the Combined Authority) by the constituent councils (West Yorkshire councils) and the non-constituent council (the City of York Council).
- The appointment of the Leeds City Region Local Enterprise Partnership Combined Authority Member (“the LEP Member”) and substitute LEP Member to the Combined Authority.
- Granting of voting rights to the member of the Combined Authority appointed by the City of York Council and to the LEP Member, (and their substitutes).

**Resolved:**

- (a) That the members of the Combined Authority and their substitutes appointed by the constituent councils and the non-constituent council (the City of York Council) as set out in Appendix 1 to the report be noted.
- (b) That Roger Marsh be appointed as the LEP Member of the Combined Authority, and Professor Bob Cryan as substitute LEP Member, to act in the absence of the LEP Member.
- (c) That the LEP Member and the member of the Combined Authority appointed by the non-constituent council (City of York Council) may vote at any meetings of the Combined Authority (including any committee or sub-committee to which those members are appointed) on any decision, subject to the following exceptions:-
  - budget and levy setting; and
  - the adoption of any implementation plans appended to the West Yorkshire Transport Strategy 2040 which relate specifically to the combined area (that is, West Yorkshire).
- (d) That the substitutes for the LEP Member and the member of the Combined Authority appointed by the non-constituent council (City of York Council) may exercise the voting rights granted to the LEP Member and the member of the Combined Authority appointed by the non-constituent council (the City of York Council) when acting in the absence of their respective member.

**2. Appointment of the Chair and Vice Chair**

Members were asked to consider nominations for the positions of Chair and Vice Chair of the West Yorkshire Combined Authority (Combined Authority) for the municipal year 2019/20.

**Resolved:**

- (a) That Councillor Susan Hinchcliffe be appointed as Chair of the Combined Authority.
- (b) That Councillor Tim Swift be appointed as Vice Chair of the Combined Authority.

**3. Apologies for Absence**

Apologies for absence were received from Roger Marsh and Councillor Tim Swift.

**4. Declarations of Disclosable Pecuniary Interests**

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

## 5. 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 3 to Agenda Item 17 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.

## 6. Minutes of the Meeting of the Combined Authority held on 25 April 2019

**Resolved:** That the minutes of the meeting of the West Yorkshire Combined Authority held on 25 April 2019 be approved and signed by the Chair.

## 7. Announcements

The Chair welcomed Councillor Aspden who was returning to the Combined Authority as the City of York Council's representative and Councillor Jane Scullion who was the new substitute member for Councillor Tim Swift. Thanks were given to the outgoing Chair of the Overview & Scrutiny Committee, Councillor Elizabeth Smaje for her work and valuable input during her term of office and it was reported that Councillor Peter Harrand would be replacing her as Chair of the Committee.

## 8. Committee Arrangements and Appointments

The Combined Authority considered a report of the Director of Corporate Services in respect of committee arrangements and appointments:

- To appoint committees of the West Yorkshire Combined Authority (the Combined Authority).
- To appoint or co-opt members onto the Combined Authority's committees.
- To appoint the Chairs and Deputy Chairs of the Combined Authority's committees.
- To grant voting rights to some members of the Combined Authority's committees.
- To confirm the continuing appointment of Independent Persons.

It was reported that since publication of the agenda papers, the following outstanding nomination had been confirmed:

- Employment & Skills Panel : Councillor Adam Wilkinson (Calderdale)

The appointment of Councillor Martyn Bolt (Kirklees) as the leader of opposition on Transport Committee was also confirmed.

**Resolved:**

- (a) That, in relation to appointment of committees –
- (i) That the following statutory committees be appointed on the terms of reference set out in the relevant Appendix attached to the submitted report:
    - Governance and Audit Committee (Appendix 1)
    - Overview and Scrutiny Committee (Appendix 2)
  - (ii) That the following committees be appointed, on the terms of reference set out in the relevant Appendix attached to the submitted report:
    - Transport Committee (Appendix 3)
    - West Yorkshire and York Investment Committee (Appendix 4)
    - Leeds City Region Partnership Committee (Appendix 5)
  - (iii) That the following advisory panels be appointed as advisory committees which also report to the LEP Board, on the terms of reference set out in the relevant Appendix attached to the submitted report:
    - Business Innovation and Growth Panel (Appendix 6)
    - Employment and Skills Panel (Appendix 7)
    - Green Economy Panel (Appendix 8)
    - Inclusive Growth and Public Policy Panel (Appendix 9)
    - Place Panel (Appendix 10)
- (b) That, in relation to the appointment of committee members –
- (i) That in accordance with Section 17 Local Government and Housing Act 1989 the Combined Authority appoints its members to:
    - The Transport Committee and the West Yorkshire and York Investment Committee, as set out in Appendix 11 to the submitted report.
    - The Leeds City Region Partnership Committee as follows:
      - each of the 5 Combined Authority Members singly appointed by each constituent council; and
      - the member of the Combined Authority appointed by the non-constituent council (the City of York Council).

- The Business Innovation and Growth Panel, Employment and Skills Panel, Green Economy Panel, Inclusive Growth and Public Policy Panel and the Place Panel as set out in Appendix 12 of the submitted report.
- (ii) That the Combined Authority appoints its members to the Governance and Audit Committee, as set out in Appendix 11 to the submitted report, together with Andy Clayton as an independent member of the Governance and Audit Committee for this municipal year, and (in principle) an additional Independent Member.
- (iii) That the Head of Legal and Governance Service be authorised to progress appointment arrangements for the additional Independent Member of the Governance and Audit Committee, including convening an interview panel to make recommendations to the Combined Authority.
- (iv) That the Combined Authority appoints members and substitutes to the Overview and Scrutiny Committee as set out in Appendix 11 of the submitted report.
- (v) That the Combined Authority co-opts members to:
- the Transport Committee as set out in Appendix 11;
  - the West Yorkshire and York Investment Committee as set out in paragraph 2 of the submitted report;
  - the advisory panels as set out in Appendix 12 with the addition of Councillor Adam Wilkinson (Calderdale) to the Employment and Skills Panel;
  - the Leeds City Region Partnership Committee as set out in paragraph 2.9 of the submitted report, including a substitute for each member as set out in paragraph 2.10 of the submitted report.
- (c) That, in relation to voting rights for committee members, (in addition to any member of the Combined Authority on the committee exercising one vote) –
- (i) It be noted that any member of a constituent council appointed to the Overview and Scrutiny Committee has one vote and that this may be exercised in their absence by their substitute.
- (ii) That any member of the City of York Council co-opted to the Overview and Scrutiny Committee shall be a voting member of that committee (and of any sub-committee to which they may be appointed by that committee) and that any such vote may be exercised in their absence by their substitute.

- (iii) That any Independent Member of the Governance and Audit Committee shall be a voting member of that committee.
  - (iv) That any co-opted member of the Leeds City Region Partnership Committee shall be a voting member of that committee and that a vote may be exercised in their absence by their substitute.
  - (v) That any constituent council member co-opted to the Transport Committee shall be a voting member of that committee (and of any sub-committee to which they may be appointed by that committee).
  - (vi) That any constituent council member or member of the City of York Council on the West Yorkshire and York Investment Committee shall be a voting member of that committee (and of any sub-committee to which they may be appointed by that committee).
  - (vii) That any of the following co-opted to the advisory panels set out in Appendix 12 shall be a voting member:
    - any local authority representative; and
    - any private sector representative.
- (d) That the Combined Authority appoints:
- Chairs and Deputy Chairs to committees, as set out in paragraph 2.9 of the submitted report for the Leeds City Region Partnership Committee, and Appendices 11 and 12 in respect of other committees and panels; and
  - Councillor Martyn Bolt (Kirklees) to the leader of the opposition position on Transport Committee.
- (e) That Ian Brown and Carolyn Lord continue as Independent Persons in relation to complaints concerning allegations of a breach of the Combined Authority's Members' Code of Conduct on the existing terms for remuneration, until the Combined Authority's annual meeting in 2020.

## 9. Representation on Outside Bodies

The Combined Authority considered a report of the Director of Corporate Services regarding Combined Authority representation on outside bodies.

It was reported that Rail North Ltd was to be wound up in the near future. However Directors would be re-appointed to the company who will act in the role until Rail North Ltd was wound up.

**Resolved:** That the appointments to the outside bodies for the municipal year 2019/20 as detailed in Appendix 1 to the submitted report be approved.

## 10. Governance Arrangements

The Combined Authority considered a report of the Director of Corporate Services in respect of amendments to the Combined Authority's governance documents.

### Resolved:

- (a) That the Combined Authority approves the governance documents attached to the submitted report in the following appendices:
  - Procedure Standing Orders – Appendix 1
  - Access to Information Annex to Procedure Standing Orders – Appendix 2
  - Code of Practice for recording meetings – Appendix 3
  - Scrutiny Standing Orders – Appendix 4
  - Contracts Standing Orders – Appendix 5
  - Financial Regulations – Appendix 6
- (b) That the Combined Authority notes the summary of recommendations of the Committee on Standards in Public Life set out in the report (including the best practice recommendations set out in Appendix 7), and the Governance and Audit Committee be requested to review the report issued by the Committee on Standards in Public Life and make any further recommendations in respect of the Combined Authority's standards arrangements.
- (c) That in relation to standards arrangements, the Combined Authority approves the following:
  - Members' Code of Conduct – Appendix 8
  - Procedure for Considering Complaints against Members – Appendix 9
  - Conflicts of Interest Policy - Appendix 10
  - Conflicts of Interest Protocol - Appendix 11
- (d) That the Combined Authority agrees the proposals set out in the report, in relation to dispensation arrangements.

## 11. Corporate Governance Code and Framework

The Combined Authority considered a report of the Director of Corporate Services in respect of a revised Corporate Governance Code and Framework and the Annual Governance Statement for inclusion in the annual statutory accounts.

### Resolved:

- (a) That the revised Corporate Governance Code and Framework be approved.

(b) That the Annual Governance Statement be endorsed.

## **12. Members' Allowances Scheme**

The Combined Authority considered a report of the Director of Corporate Services in respect of the Members' Allowances Scheme.

The distribution of basic and special responsibility allowances was discussed and it was noted that these were paid to members of the Overview & Scrutiny Committee and Transport Committee to reflect detailed work undertaken by committee members across the region in addition to attendance at formal meetings.

**Resolved:** That the Members' Allowances Scheme, attached as Appendix 1 to the submitted report, be adopted for the municipal year 2019/20.

## **13. Officer Arrangements**

The Combined Authority considered a report of the Director of Corporate Services in respect of the Combined Authority's Officer Delegation Scheme.

**Resolved:** That the Officer Delegation Scheme, attached as Appendix 1 to the submitted report, be approved.

## **14. Scrutiny Annual Report and Statutory Guidance**

The Combined Authority considered a report of the Director of Corporate Services on the scrutiny annual report 2018/19 and statutory guidance.

Councillor Liz Smaje, the outgoing Chair of the Overview and Scrutiny Committee, highlighted the work undertaken by the Committee during the 2018/19 municipal year which was outlined in the summary provided in the report.

It was noted that new statutory scrutiny guidance had been issued by Government in May 2019 and the Combined Authority intend to review the current scrutiny arrangements to ensure they are compliant with the new statutory guidance and in line with best practice in scrutiny nationally.

The benefits of scrutiny as part of the organisation's decision making process were welcomed and Councillor Smaje and the Committee were thanked for their work over the last 12 months. It was noted that Councillor Harrand would take over as Chair of the Committee for the 2019/20 municipal year.

**Resolved:**

(a) That the annual report summarising the work undertaken by the Overview and Scrutiny Committee in 2018/19 be noted.

- (b) That the new statutory scrutiny guidance issued by the government and the next steps be noted.

## **15. Calendar of Meetings 2019/20**

The Combined Authority considered a report of the Director of Corporate Services setting out a proposed calendar of meetings for 2019/20.

### **Resolved:**

- (a) That the dates of meetings for the LEP Board as agreed by the LEP Board at its annual meeting be noted.
- (b) That the calendar of meetings of the Combined Authority, its committees and sub-committees for 2019/20, as detailed in Appendix 1 to the submitted report, be approved.

## **16. Rail Reviews**

The Combined Authority considered a report of the Director of Transport Services which provided an update on the following rail reviews:

- Richard George commission
- The Blake Jones Review
- Williams Rail Review

It was noted that Richard George had been invited to the Combined Authority meeting to discuss the main outcomes of the work he had undertaken. However, as he was unable to attend, a briefing for members of the Combined Authority had been arranged and this had taken place on 25 June 2019. The briefing session was held in public. Members had welcomed the meeting which had provided the opportunity for them to ask questions and discuss the work, particularly in respect of the dysfunction of the current state and structure of the railway and the existing franchise process.

Richard George had been appointed by the Government to oversee infrastructure and train operations, working closely with Transport for the North, the Rail North Partnership, Network Rail and the train operators. Richard George's appointment had now concluded and a final report setting out the full details of the findings and responses to the issues raised was due to be published in the near future, subject to Department for Transport sign-off.

Councillor Judith Blake provided an update on the Blake Jones Review which was due to be published in the near future. The review identifies the following four key areas of change:

- A focus on passengers
- Improved accountability
- Better communications and greater transparency

- Improved trust and responsiveness

The review will also feed into the review into the structure of the rail industry led by Keith Williams. The work of the Blake Jones review has also fed into the TfN and Combined Authority's responses to the Williams Rail Review. Members considered the Authority's submission in response to the Second Call for Evidence – Objective and Assessment Criteria which was attached at Appendix 1. It was reported that the TfN proposition calls for a strengthened role for TfN in the management of the railway and this had been discussed at the TfN's recent Board meeting. It was proposed that a letter be sent to the two candidates in the current Prime Ministerial election seeking their commitment for more investment and devolved powers for the North.

The Williams Rail Review's findings and recommendations are due to be published in a Government White Paper in Autumn 2019, with reform expected to commence in 2020.

**Resolved:**

- (a) That the discussion held with Richard George following the conclusion of his appointment be noted.
- (b) That the update on the Blake Jones Review be noted.
- (c) That the final submission to the Williams Rail Review be endorsed.
- (d) That a letter be sent to the two contenders in the current Prime Ministerial election to ask for their commitment for more investment and devolved powers for the North.

**17. Capital Spending and Project Approvals**

The Combined Authority considered a report of the Director of Delivery on the progression and funding for the following schemes through the Combined Authority's assurance process:

- Mirfield to Dewsbury to Leeds
- South East Bradford Link Road
- Gain Lane Enterprise Zone
- Transport Hubs and Connecting Communities

It was reported that some concerns had been raised regarding the South East Bradford Link Road project and members were advised that all local authorities would be consulted on the scheme.

It was noted that since the last meeting, decisions on the following schemes have been made by the Investment Committee:

- City Connect Phase 3
- Halifax Living

- West Yorkshire Combined Authority Head Office Accommodation Project
- Garforth Rail Station Car Park Extension

In addition to the above decisions, the Authority considered a sub-delegation to enable the Investment Committee to make a decision on the revised approval route for the Wakefield City Centre Package Phase 2 Ings Road Scheme.

Details of all the schemes were provided in the submitted report.

**Resolved:**

- (a) In respect of Mirfield to Dewsbury to Leeds (M2D2L) -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the M2D2L project proceeds through decision point 2 and work commences on activity 3 (outline business case).
- (ii) That an indicative approval of the Combined Authority's contribution of £12.5 million (which will be funded through the West Yorkshire plus Transport 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). The total project value will be £13 million, this will be funded from a Combined Authority contribution plus £500,000 from the Leeds City Council Section 106 fund).
- (iii) That costs of £325,000 are approved in order to progress the scheme to decision point 3 (outline business case) taking the total project approval to £535,000.
- (iv) That the Combined Authority enters into an addendum to the existing funding agreement with Kirklees Council for additional expenditure of up to £325,000 from the West Yorkshire plus Transport Fund, taking the total funding agreement value to £535,000.
- (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 4 and 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.

- (b) In respect of South East Bradford Link Road (SEBLR) –

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the South East Bradford Link Road scheme proceeds through decision point 2 and work commences on activity 3 (outline business case).
  - (ii) That an indicative approval to a maximum Combined Authority's contribution of £46.3 million (which will be funded through the West Yorkshire plus Transport 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).
  - (iii) That additional development costs of £1.213 million are approved in order to progress the scheme to decision point 3 (outline business case), taking the total project approval to £1.304 million.
  - (iv) That the Combined Authority enters into an addendum to the existing funding agreement with Bradford Council for expenditure of up to £1.304 million from the West Yorkshire plus Transport Fund.
  - (v) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report, including at decision points 4 and 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.
- (c) In respect of Gain Lane Enterprise Zone –

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the Enterprise Zone Gain Lane project proceeds through decision point 3 (outline business case) and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval of up to £9.877 million for the Combined Authority contribution to the scheme (subject to finalised due diligence) is given 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).
- (iii) 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 Investment Committee 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.

(d) In respect of Transport Hubs and Connecting Communities –

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the Transport Hubs Improvement and Public Transport Access scheme proceeds through decision point 3 and work commences on activity 5 (full business case with finalised costs).
  - (ii) That an indicative approval to the total project value of £8.905 million is given from the Leeds Public Transport Investment Programme 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).
  - (iii) That 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 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.
- (e) That the revised approval route for the Wakefield City Centre Package Phase 2 Ings Road Scheme be approved, to enable the Investment Committee to make the decision on behalf of the Combined Authority.

## **18. CO2 Emission Reduction Commitments and Activity**

The Combined Authority considered a report of the Director of Policy, Strategy and Communications which provided an update on Leeds City Region CO<sub>2</sub> emission reduction commitment and activity.

The report provided an update on the latest CO<sub>2</sub> emission reduction commitments at an international, national, regional and local level. It also provided an overview of the Combined Authority's activity to address CO<sub>2</sub> emissions. The ambition to be a zero-carbon economy has been a longstanding ambition of the Combined Authority and it was acknowledged that over the last few months all five West Yorkshire authorities and York have declared a climate emergency.

Members discussed the Authority's strong commitment to tackle climate change which was outlined in the Leeds City Region Energy Strategy and Delivery Plan. It was noted that the 'Special Report on Global Warming of 1.5°C', published by the Intergovernmental Panel on Climate Change (IPCC) in October 2018 describes the enormous harm that 2°C rise is likely to cause compared with a 1.5°C rise. It also confirms that limiting Global Warming to 1.5°C may still be possible with ambitious action from national and sub-

national authorities, civil society and the private sector. It was agreed this was a climate emergency needing action. Members supported a motion proposed by the Chair to declare a climate emergency in order to strengthen the Authority's commitment. It was agreed that the recommendations of the report be amended and that all future reports to the Combined Authority will comment on what the impact of its decision will have on the climate emergency agenda. A progress report would be brought to a future meeting.

**Resolved:**

- (a) That the 'Special Report on Global Warming of 1.5°C', published by the Intergovernmental Panel on Climate Change (IPCC) in October 2018 be noted and that the Combined Authority declare a climate emergency.
- (b) That the Combined Authority strengthen its target in line with the IPCC, and once further carbon abatement work is complete, amend the Energy Strategy and Delivery Plan to deliver this target.
- (c) That in order to achieve significant results the Combined Authority will continue to focus on delivering the five key priorities within the Energy Strategy and Delivery Plan.
- (d) That the Combined Authority continue to support a range of low carbon projects being delivered.
- (e) That the Combined Authority work with the Green Economy Panel and wider Local Enterprise Partnership and new Leeds City Region Climate Coalition to achieve the strengthened target and deliver the Energy Strategy and Delivery Plan.
- (f) That future Combined Authority reports will comment on the impact any decision will have on the climate emergency agenda.
- (g) That a report be brought to a future meeting.

**19. Corporate Planning and Performance**

The Combined Authority considered a report of the Director of Corporate Services which provided an update on corporate performance including progress against corporate plan priorities, risk management and budget position.

The update on progress against the 2018/19 Corporate Plan headline indicators set out in Appendix 1 was noted. It was reported that four indicators were assessed as 'red' and details were outlined in the submitted report. These largely related to unanticipated issues out of the Combined Authority's control. Members discussed the information provided in respect of the MCard sales target and consideration would be given to its future presentation in order to identify the different products. A review of the risk

register had been undertaken and risks updated accordingly which were set out in Appendix 1.

A summary of the 2018/19 final outturn as compared to original budget was attached at Appendix 2 and the draft accounts for 2018/19 have been prepared and published on the website.

**Resolved:** That the information provided on corporate performance be noted.

## **20. Proposal to Recruit to the Role of Director, Economic Services**

The Combined Authority considered a report of the Managing Director on a proposal to recruit to the role of Director, Economic Services.

It was reported that following a review and re-evaluation of the increased breadth of activities in Economic Services, it was proposed to amend the current Executive Head role to a Director role in the Combined Authority.

Members noted details of the evaluation which were outlined in the report and considered the approach to recruiting to the position.

**Resolved:**

- (a) That the current Executive Head of Economic Services post be revised to a Director of Economic Services and recruited to on that basis, such change to take effect from the date of appointment.
- (b) That the proposed approach to recruiting to the position, as set out in the submitted report, be endorsed.
- (c) That the Managing Director be delegated authority to undertake the recruitment, including convening an interview panel (with member representation) and, in consultation with the Chair of the Combined Authority and the Chair of the LEP, to make an appointment in accordance with the recommendation of the interview panel.

## **21. Minutes for Information**

The Combined Authority noted the minutes of the committees, panels and LEP Board that have been published on the West Yorkshire Combined Authority's website since the last meeting.

**Resolved:** That the minutes of the Combined Authority's committees and panels and the LEP Board be noted.

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**Report to:** West Yorkshire Combined Authority

**Date:** 1 August 2019

**Subject:** **Capital Spending and Project Approvals**

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**Director:** Melanie Corcoran, Director of Delivery

**Author(s):** Craig Taylor / Cath Pinn

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## **1 Purpose of this report**

- 1.1 To put forward 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 Deal, for consideration by the Combined Authority's assurance process.
- 1.2 The schemes being considered today were recommended by the West Yorkshire and York Investment Committee (the Investment Committee) on 11 July 2019.
- 1.3 In December 2018, the Combined Authority amended the terms of reference of the Investment Committee to provide for the Committee to make any decision to progress a scheme under the Leeds City Region Assurance Framework, in accordance with the scheme's bespoke approval pathway and approval route (subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%). This report includes information on the exercise of the Investment Committee's new delegated decision making role. Decisions made by Investment Committee which are for the Combined Authority's information, and those requiring an approval decision by the Combined Authority, will be made clear in this report through being highlighted in the summary table and the recommendations where applicable.
- 1.4 This report presents proposals for the progression of 3 schemes, which have been recommended for approval by the West Yorkshire and York Investment Committee and considered in line with the Leeds City Region Assurance Framework. These schemes have a total combined funding value of £14.470 million when fully approved, of which £11.581 million will be funded by the Combined Authority. A total expenditure recommendation to the value of £3.819 million is sought as part of this report for the development and delivery

of these schemes. Further details on the schemes summarised below can be found as part of this report.

- 1.5 In addition the Kirklees Transport Model scheme has progressed directly to Combined Authority for consideration.

<p><b><u>Scheme</u></b></p> <p><b>Kirklees Cycling and Walking Early Gateway Transformation Package</b></p> <p>Kirklees</p> <p>(July Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme will be majority funded from the Combined Authority’s successful bid to the Department for Transport Transforming Cities (small schemes) Fund. The scheme will deliver a package of walking and cycling enhancements that will improve walking and cycling to and from Dewsbury and Huddersfield railway stations, as well as Huddersfield Bus Station.</p> <p>It supports Priority Area 4 (Infrastructure for Growth) and will be funded by the Department for Transport’s Transforming Cities Fund and Kirklees Council.</p> <p><b><u>Impact</u></b></p> <p>The scheme will lead to increased cycling and walking to/from both railway stations, with associated health and environmental benefits. It will improve connectivity for pedestrians and cyclists travelling between Huddersfield railway and bus stations and provide improvements at Dewsbury railway station to make it easier for public transport users to access the railway network. The scheme will also improve access to education facilities from key public transport hubs (Kirklees College, Greenhead College, University of Huddersfield)</p> <p>The benefit cost ratio (BCR) of the scheme represents high value for money as per the Department for Transport’s criteria.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs)</p> <p>Total value - £2.2 million</p> <p>Total value of Combined Authority funding - £1.895 million</p> <p>Funding recommendation sought – £337,000</p>
<p><b><u>Scheme</u></b></p> <p><b>Ultra-Low Emission Bus (ULEB)</b></p> <p>Leeds</p> <p>(July Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The scheme will enable seven zero-emission electric double deck buses to operate between the proposed Stourton Park and Ride (P&amp;R) site into Leeds City Centre, supported by two new rapid charging units at Leeds bus station.</p> <p>It supports the SEP Priority 3 “Clean Energy and Environmental Resilience”</p> <p><b><u>Impact</u></b></p> <p>The scheme will reduce harmful carbon dioxide (CO<sub>2</sub>) and nitrous oxide (NO<sub>2</sub>) emissions, helping to address localised poor air quality along a key arterial route into Leeds city centre.</p> <p>The benefit cost ratio (BCR) of the scheme represents good value for money as per the Department for Transport’s criteria.</p>

	<p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 and work commences on activity 5 (full business case with finalised costs).</p> <p>Total Value - £2.7 million</p> <p>Total value of Combined Authority funding - £1.650 million</p> <p>Funding recommendation sought - £0 million</p>
<p><b><u>Scheme</u></b></p> <p><b>Kirklees Transport Model</b></p> <p>Kirklees</p> <p>(This decision has been progressed directly to the Combined Authority)</p>	<p><b><u>Scheme description</u></b></p> <p>The scheme will deliver a transport model covering the Kirklees District, which will help Kirklees Council to plan for a range of major new transport improvements in the area and enable the impact of housing and other developments to be represented and planned for.</p> <p>It supports Priority Area 4 (Infrastructure for Growth) of the Strategic Economic Plan</p> <p><b><u>Impact</u></b></p> <p>This project will support the development, delivery and evaluation of Kirklees' West Yorkshire plus Transport Fund programme.</p> <p>The model will deliver value for money through enabling an enhanced level of transport modelling. This should ensure a more accurate representation of the economic and environmental impacts of schemes to inform scheme development and decision making.</p> <p>The benefits and implications for inclusive growth will come from successful delivery of the Transport Fund projects supported by use of the model.</p> <p>The Combined Authority's contribution to the scheme will be funded from the West Yorkshire plus Transport Fund.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs)</p> <p>Total value - £334,000</p> <p>Total value of Combined Authority funding - £167,000</p> <p>Funding recommendation sought – £0</p>
<p><b><u>Scheme</u></b></p> <p><b>Clean Bus Technology Fund</b></p> <p>West Yorkshire</p> <p>(July Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The scheme seeks to deliver clean technology to bus fleets across West Yorkshire, to improve emission levels up to Euro 6 standard or better, as required by the forthcoming Leeds Clean Air Charging Zone.</p> <p>The scheme is primarily funded by the Department for Environment, Food and Rural Affairs (DEFRA), with contributions from the Leeds Public Transport Investment Programme (LPTIP) and bus operator match fund.</p> <p><b><u>Impact</u></b></p>

	<p>The economic assessment of the scheme demonstrates significant air quality benefits, with delivery of up to 479 clean bus technology upgrades to yield an estimated 560 tonne yearly reduction in nitrogen oxide (NO<sub>2</sub>) and 179 tonne yearly reduction in carbon dioxide (CO<sub>2</sub>), calculating environmental and health savings of c. £37.2 million over a five year operational period.</p> <p>The wider social benefit of scheme delivery is improvement to health and quality of life due to cleaner air.</p> <p><b><u>Decision sought</u></b></p> <p>Approval of the change request at activity 6 delivery.</p> <p>Total value - £9.570 million</p> <p>Total value of Combined Authority funding - £8.036 million (DEFRA grant)</p> <p>Funding recommendation sought - £3.482 million</p>
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1.6 The Combined Authority's assurance framework requires that formal approval is given to the following elements of a scheme as part of its development:

- The progression of a scheme through a decision point to the next activity.
- Indicative or full approval to the total value of the scheme funding requested.
- The Combined Authority's entry into a funding agreement with the scheme's promoter.
- The assurance pathway and approval route for future decision points.
- The scheme's approval tolerances.

1.7 This report provides information required to enable the Combined Authority to approve each of the above elements.

1.8 Since the Combined Authority's meeting on 27 June 2019, the following decision points and change requests have been assessed in line with the Combined Authority's assurance process and approved through the agreed delegation to the Combined Authority's Investment Committee.

<b><u>Scheme</u></b>	<b><u>Scheme description</u></b>
<p><b>A629 Phase 4</b> Calderdale (July Investment Committee)</p>	<p>This scheme is phase four (of five), of the A629 Corridor Programme, and seeks to provide infrastructure improvements for bus users, cyclists and walkers, to enhance and complement the capacity improvements that will be delivered through phases 1a, 1b, 2 and 5, but also Halifax Station Gateway and Huddersfield town centre schemes.</p> <p>The scheme is to be funded through the West Yorkshire plus Transport Fund.</p> <p><b><u>Decision</u></b></p> <p>Approval to proceed through decision point 3 and work commences on activity 4 full business case.</p>

	<p>Total value - £25.928 million</p> <p>Total value of Combined Authority funding - £25.928 million</p> <p>Funding recommendation sought - £7.085 million</p>
<p><b><u>Scheme</u></b></p> <p><b>Harrogate Road - New Line Junction Improvement</b></p> <p>Bradford</p> <p>(July Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>The Harrogate Road – New Line junction scheme sits within the West Yorkshire Plus Transport Fund programme.</p> <p>The scheme will improve the existing junction at Greengates including widening of the existing highway on all four arms of the junction, signal upgrades, junction improvements and improvements for pedestrians and cyclists.</p> <p>This scheme is majority funded (59%) by the West Yorkshire Plus Transport Fund, which is targeted at enabling key development areas and will help create around 20,000 new jobs over the next 10 years. It is also match-funded by Bradford Council (24%) and Section 106 (17%) funding.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to proceed through decision point 4 (full business case) and commence work on decision point 5 (full business case with finalised costs).</p> <p>Total value - £11.427 million</p> <p>Total value of Combined Authority funding - £6.765 million</p> <p>Funding recommendation sought - £0 (approval of £2.875 million development costs secured through a previous change request)</p>
<p><b><u>Scheme</u></b></p> <p><b>Halifax Station Gateway</b></p> <p>Calderdale</p> <p>(July Investment Committee)</p>	<p><b><u>Scheme description</u></b></p> <p>This scheme is part of the wider Station Gateways programme to transform public realm, expand retail opportunities and improve passenger experiences. This scheme aims to construct a new station building that links to the current Grade II listed building, bring a disused platform back in to use, and relocate the car parking. The land in front of the station will also be redeveloped to enable walking and cycling access from the station in to the town centre.</p> <p>This scheme is to be part funded from the West Yorkshire plus Transport fund.</p> <p><b><u>Decision sought</u></b></p> <p>Approval to provide an additional £247,336 of development funds taking the total approval to £1.335 million.</p> <p>Total value – £28.2 million</p> <p>Total value of Combined Authority funding – £10.6 million</p> <p>Funding recommendation sought - £247,336</p>
<p><b><u>Scheme</u></b></p> <p><b>York Outer Ring Road Junctions Improvement Programme – Phase 1</b></p>	<p><b><u>Scheme description</u></b></p> <p>The York Outer Ring Road (YORR) scheme has been developed to both address existing issues and support the delivery of the future development set out in the York Local Plan The scheme will deliver the short-term improvements to</p>

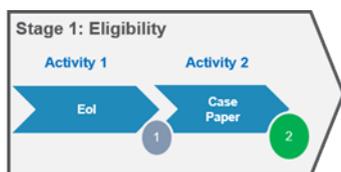
<p>York (July Investment Committee)</p>	<p>the YORR, consistent with City of York policy, York Local Plan Strategic Highway Capacity Improvements and the York Local Plan Infrastructure Delivery Plan which include reference to the short and long-term improvements needed to enhance capacity of the YORR.</p> <p>The YORR upgrade project includes improvements to seven existing outer ring road roundabouts between the Wetherby Road and Monks Cross junctions. Phase 1 has already delivered improvements to the roundabout at the junction of A1237 and B1224 Wetherby Road. The works at the Wetherby Road junction were completed in the winter of 2018/19.</p> <p><b><u>Decision sought</u></b></p> <p>Activity 6 change request for additional funding required to fund the cost of addressing unforeseen issues that occurred on site at a greater level than anticipated (including tree root penetration affecting groundwater management and archaeological discovery).</p> <p>To increase total scheme cost approval from £3.599 million to £4.054 million (an increase of £455,000) of which the Combined Authority funding contribution to the increased cost is £266,581.</p>
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## 2 Information

- 2.1 The background information on the Combined Authority's assurance framework through which each of the schemes outlined in this report are being approved is provided in **Appendix 1**.
- 2.2 Location maps for each of the schemes presented in this report (where applicable) are provided in **Appendix 2**.
- 2.3 All the schemes (except the Kirklees Transport Model) set out in this section of the report have been considered by July's Investment Committee.
- 2.4 The Kirklees Transport Model has progressed directly to the Combined Authority due to the urgent requirement for Kirklees Council to progress the model in order to inform the business cases for a number of their Transport Fund schemes.

## Programmes and projects for consideration

### Projects in stage 1: Eligibility



- 2.5 Projects at the eligibility stage are seeking entry into the portfolio and should demonstrate a strategic fit in terms of project outcomes, with further project definition including costs and detailed timescales to be developed as the project progresses through the assurance process. At this stage funding may be sought to enable this work to progress.

<b>Project Title</b>	<b>Kirklees Cycling and Walking Early Gateway Transformation Package</b>
<b>Stage</b>	1 (Eligibility)
<b>Decision Point</b>	2 (Case paper)

Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		

### **Background**

- 2.6 This scheme will be majority funded mainly through the Department for Transport's Transforming Cities Fund (TCF). As part of the Government's Industrial Strategy and the National Productivity Investment Fund, the TCF aims to drive up productivity through improved connections between urban centres and suburbs.
- 2.7 To do this, the TCF provides a significant opportunity to invest in infrastructure to improve public and sustainable transport connectivity in some of England's largest cities. This scheme will be funded through Tranche 1 of the fund, which is focused on "small bids" of £10 million or less. Combined Authority bids relating to Tranche 2 are currently under development with a decision from the Department for Transport anticipated in spring 2020. The Combined Authority has been successful in securing the funding for the scheme which is described below, and are now required to assure the development and delivery of the scheme by Kirklees Council through the assurance process.

- 2.8 The Kirklees Cycling and Walking Early Gateway Transformation Package scheme will deliver a package of walking and cycling enhancements that will much improve walking and cycling connectivity to and from Dewsbury and Huddersfield railway stations, as well as Huddersfield bus station and adjacent development sites.
- 2.9 At Huddersfield railway station, improvements will focus on the walking and cycling route between the rail and bus stations, including additional and improved crossings, way-marking and associated safety enhancements. Advance works on St George's Street are proposed (footway widening, two-way cycle facilities, revised signage etc.) in order to align with planned maintenance improvements and avoid re-doing works in this area in the short-term.
- 2.10 At Dewsbury railway station, walking and cycling enhancements at the western entrance will improve accessibility together with further enhancements within the station itself to create a more accessible and attractive environment for pedestrians and cyclists.
- 2.11 The scheme has been presented at decision point 2, as a strategic outline business case (rather than an expression of interest) to reflect the business case which was submitted to the Department for Transport, however it has been appraised in line with the standard approach at decision point 2 (case paper).
- 2.12 The scheme supports Strategic Economic Plan (SEP) Priority 4 "Infrastructure for Growth", providing sustainable and active travel modes to strengthen and grow the City Region's Urban Centres. The scheme will be delivered by Kirklees Council and TransPennine Express.

### **Outputs, benefits and inclusive growth implications**

- 2.13 The scheme will deliver benefits to residents, commuters, businesses, visitors, leisure and retail users travelling through Dewsbury and Huddersfield railway stations, including:
- Increased use of sustainable travel modes to/from both railway stations, with associated health and environmental benefits
  - Improved connectivity for pedestrians and cyclists travelling between Huddersfield railway and bus stations
  - Improved access to education facilities from key public transport hubs (Kirklees College, University of Huddersfield)
  - Improved facilities for forecast increased passengers
  - Accessibility improvements at Dewsbury railway station to make it easier for vulnerable and disabled users to access the railway network
- 2.14 The benefit cost ratio of the scheme is currently at strategic outline business case stage is 20.29:1 which represents very high value for money as per the

Department for Transport's criteria. This will be further developed as the scheme progresses to full business case stage.

### Risks

- 2.15 The key design and delivery risks to the scheme and associated mitigation measures are:
- Objections to scheme design from local businesses and bus operators – mitigated through further detailed and ongoing consultation and stakeholder engagement and the demonstration of scheme benefits from further business case development.
  - Programme delays lead to the withdrawal of TCF funds – mitigated by securing contractual commitment in October 2019
  - Wasted costs associated with planned maintenance of St George's Street (Huddersfield) in advance of the anticipated Transforming Cities Fund improvement and loss of match funding – mitigated by early release of Transforming Cities Fund funds to complete advance works in this area.

### Costs

- 2.16 The total forecast cost of the scheme is £2.2 million. The Combined Authority contribution is £1.895 million funded by the Transforming Cities Fund. The remaining £305,000 will be funded by Kirklees Council (£200,000) and the TransPennine Express Customer & Community Investment Fund (£105,000). All funding is secured.
- 2.17 Kirklees Council is seeking development costs of £187,000 for detailed designs and consultation and the preparation of the full business case with finalised costs. The Council is also seeking £150,000 of scheme delivery funding (in advance of the decision point 5, full business case with finalised costs) to undertake improvement works to St George's Street. This is to take advantage of available match funding from the Council's highways maintenance budget which must be spent in 2019/20 in order to avoid repeating improvement works to this element of the scheme when the Combined Authority release the TCF funding (subject to decision point 5 approval).

### Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Decision point 2 (case paper)	Recommendation: Investment Committee Decision: Combined Authority	01/08/2019
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team	16/10/2019

	Decision: Combined Authority's Managing Director	
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## Other Key Timescales

2.18 The key milestones for the scheme are:

- Consultation and detailed designs completed – September 2019
- Full business case with finalised costs submitted – October 2019
- Start of construction – October 2019 (St George's St), November 2019 (main scheme)
- Practical completion (decision point 6) – November 2020

## Assurance Tolerances

<b>Assurance tolerances</b>
That the scheme costs remain within plus 10% of the costs identified in this report
That the project delivery timescale remains within plus four months of the timescale set out in this report.

## Project responsibilities

<b>Senior Responsible Officer</b>	Richard Hollinson, Kirklees Council
<b>Project Manager</b>	Robert Stanley, Kirklees Council
<b>Combined Authority case officer</b>	Ian McNichol

## Appraisal summary

2.19 The scheme has a strong strategic case and responds to increasing rail patronage and predicted growth set out in the West Yorkshire Transport Strategy. It has the potential to generate significant economic benefits and these will be further refined at the next stage of the assurance pathway. The Department for Transport's TCF funding is secured and the overall approach to project governance and delivery appears to be robust.

## Recommendations

2.20 That the Combined Authority approves that:

- The Kirklees Cycling and Walking Early Gateway Transformation Package proceeds through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs).
- An indicative approval is given to the Combined Authority's contribution of £1.895 million, which will be funded through the Transforming Cities

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). The total project value is £2.2 million.

- (iii) Development costs of £337,000 are approved (including £150,000 for advanced construction works on the Huddersfield element) in order to progress the scheme to decision point 5 (full business case with finalised costs).
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this 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 this report.

<b>Project Title</b>	<b>Ultra-Low Emission Bus (ULEB)</b>
<b>Stage</b>	1 (Eligibility)
<b>Decision Point</b>	2 (Case paper)

Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		

## Background

- 2.21 This scheme forms part of the Leeds Public Transport Investment Programme, a £183.5 million programme using devolved Department for Transport (DfT) funding supplemented with contributions from Leeds City Council and the Combined Authority. This programme aims to support economic growth by removing barriers to travel, improve public transport journey times and usage and improve health outcomes by reducing overall transport emissions. The scheme is included within the Bus Delivery package within the Leeds Public Transport Investment Programme.
- 2.22 The Combined Authority is responsible for selecting an operator for the proposed Stourton Park and Ride service and through this process it will provide a grant (as per the requirements of the DfT's criteria for the ULEB funding) to enable the selected Park and Ride operator to procure a fleet of ultra-low emissions buses (ULEB) (over Euro 6 standard buses). The grant will cover the funding gap between the cost of standard buses and the ULEB buses. The ULEB buses will be owned by the selected bus operator, but will be protected as assets specifically for the Park and Ride scheme through the contract to ensure that if any change in ownership of the bus operator occurred during the contract life these assets would be retained. The Combined Authority will be responsible for procuring the rapid charging units at Leeds bus station whilst the charging units at the proposed Stourton Park and Ride site will be delivered by Leeds City Council and are part of the business case for that scheme. The approval at decision point 2 will enable progression of the scheme to go out to tender for an operator to operate Stourton Park and Ride.
- 2.23 This scheme supports the SEP Priority Area 3 "Clean Energy and Environmental Resilience" with a forecast reduction of 617 tonnes of carbon dioxide (CO<sub>2</sub>) emissions within the first five years of operation. It also supports the ambitions of the Combined Authority's emerging Clean Energy Strategy to become a resilient zero carbon energy economy by 2036. This prioritises

efficient and integrated transport through the deployment of cleaner transport technologies, including Investment in zero-emission, low carbon bus technology.

### **Outputs, benefits and inclusive growth implications**

2.24 The scheme will facilitate the delivery of at least five ultra-low emission double deck buses and associated charging infrastructure and has the potential to generate the following benefits:

- Removal of 617 tonnes of carbon dioxide (CO<sub>2</sub>), over five years when compared to a fleet of seven Euro 6 standard buses
- Removal of 344kg of nitrogen dioxide (NO<sub>2</sub>) and 6kg of particle matter (PM) over five years when compared to Euro 6 standard buses
- Support proposals for the Leeds Clean Air Zone by addressing localised NO<sub>2</sub> exceedances along the Stourton Park and Ride route into Leeds city centre
- Complement plans led by Leeds City Council to deliver a solar photovoltaic (PV) canopy and associated energy storage/charging facility at the Stourton Park and Ride site
- Support the wider uptake of electric buses by service operators by providing rapid recharging infrastructure at Leeds bus station

2.25 The scheme has the potential to offer very good value for money and by comparison the Combined Authority's Clean Bus Technology Fund is forecast to achieve a benefit cost ratio of over 7:1. The scheme will build on the Clean Bus Technology Fund investment, which is in the process of retrofitting over 500 vehicles to Euro 6 standard.

### **Risks**

2.26 The key risks and associated mitigation measures for this scheme are:

- Lack of interest/support from prospective Park and Ride operators – mitigated by early engagement with potential operators and ULEB vehicle suppliers (a requirement for ULEB vehicles will be included in the tender specification for the Park and Ride operator)
- Increase in rapid charging point delivery costs – mitigated by further survey work and a risk contingency in the scheme cost plan
- ULEB vehicles not achieving the required range for the daily P&R duty cycle – one of the fleet will act as a spare to ensure service availability/reliability
- Change in ownership of the procured bus operator leading to the ULEB buses being reallocated to other sites. This will be fully mitigated through

the contract between the Combined Authority and the selected operator to ensure that any assets associated with the contract are fully protected.

## Costs

- 2.27 The total forecast cost for this scheme is £2.7 million. The Combined Authority contribution is £1.650 million funded by the Leeds Public Transport Investment Programme (£1.033 million) and the DfT's Ultra-Low Emission Bus (ULEB) scheme (£617,000). All public sector funding is secured. This will be provided as a grant to the selected operator, to subsidise the cost of the required technology.
- 2.28 A commitment for the Park and Ride operator to match fund the scheme costs will be secured through the procurement process. It is anticipated that this will secure private sector investment up to £1.05 million in the purchase of the fleet, the equivalent of purchasing seven Euro 6 standard buses (the exact figure will depend on the outcome of the procurement).

## Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Decision point 2 (case paper)	Recommendation: Investment Committee Decision: Combined Authority	01/08/2019
Decision point 5 (full business case with finalised costs)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Managing Director	31/01/2020

## Other Key Timescales

- 2.29 The key milestones for this scheme are:
- OJEU tender issue for the Stourton Park and Ride operator - August 2019
  - Park and Ride operator appointed - October 2019
  - Rapid charge units at Leeds bus station go 'live' – August 2020
  - ULEB fleet delivered – October 2020
  - Park and ride service commences – December 2020 (in line with the forecast opening of the proposed Stourton Park and Ride)

## Assurance Tolerances

Assurance tolerances
Combined Authority costs should remain within plus 20% of the costs set out in this report.

That programme timescales should remain within plus three months of the timescales set out in this report.

### Project responsibilities

<b>Senior Responsible Officer</b>	Dave Pearson, Combined Authority
<b>Project Manager</b>	Helen Ellerton, Combined Authority
<b>Combined Authority case officer</b>	Ian McNichol

### Appraisal summary

- 2.30 The scheme has a clear strategic, commercial (route to market) and economic case for investment, public sector funding is secured and key scheme risks are understood. A high level qualitative appraisal of the scheme benefit has been undertaken at this stage of project development. It is intended that a more detailed appraisal is undertaken on the full business case which will provide a quantified value for money forecast (most likely in the form of a benefit to cost ratio figure).

### Recommendations

- 2.31 That Combined Authority approves that:
- (i) The Ultra-Low Emission Bus (ULEB) scheme proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs)
  - (ii) An indicative approval is given to the Combined Authority's contribution of £1.650 million (which will be funded through £1.033 million from Leeds Public Transport Investment Programme (LPTIP) and £617,000 from the DfT ULEB scheme 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). The total project value of £2.7 million.
  - (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this 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 this report.

<b>Project Title</b>	<b>Kirklees Transport Model</b>
<b>Stage</b>	1 (Eligibility)
<b>Decision Point</b>	2 (Case paper)

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

## Background

- 2.32 This scheme is to deliver an updated transport model for Kirklees which will help Kirklees Council to plan for a range of major new transport improvements in the area. The model will be a variable demand model which will represent mode choice as well as allowing the impact of housing and other developments to be represented.
- 2.33 The model suite will incorporate variable demand, a highways model and public transport models to support the development, appraisal, delivery and evaluation of Kirklees' West Yorkshire-plus Transport Fund programme, including:
- A62/A644 (Wakefield Road) Link Road
  - North Kirklees Orbital Route
- 2.34 In addition and subject to timings aligning, the model may also inform the development of full business cases for:
- A629 Halifax Road
  - Huddersfield Southern Corridors
- 2.35 Kirklees Council is currently reliant on using a version of the model that was developed a number of years ago. It is likely that due to the programmes for some of the projects under development, the model may be close to or exceeding its validity at the time of planning applications.
- 2.36 In addition the current Kirklees Transport Model was developed to understand the impact of traffic forecasts for the local plan development sites. There is a need to strengthen the model in the local vicinity of major Transport Fund

schemes. In particular, the calibration and validation of the current model in the vicinity of the A62/A644 (Wakefield Road) Link Road is proving difficult.

- 2.37 The decision was taken to update the Kirklees Transport Model using funding from the Combined Authority together with funding from Kirklees Council on a 50:50 basis.
- 2.38 A procurement process has been undertaken and a preferred supplier has been selected.
- 2.39 As a variable demand transport model, this project will support the development of transport fund schemes which will deliver outcomes in support of the Leeds City Region (LCR) Strategic Economic Plan (SEP) strategic priorities. Through these schemes this project aligns with the strategic priority 4, Infrastructure for Growth to:
- “Maximise the increase in employment productivity and economic growth across West Yorkshire and York (irrespective of boundaries) by the delivery of transport interventions.”*
- 2.40 Each of the projects supported by the model will need to demonstrate individual strategic case with alignment to the Leeds City Region SEP.

#### **Outputs, benefits and inclusive growth implications**

- 2.41 This project will support the development, delivery and evaluation of Kirklees’ West Yorkshire-plus Transport Fund programme. It is the delivery of the projects within that programme which will support the delivery of the LCR SEP.
- 2.42 The main, direct output of this project is an updated Kirklees Transport Model. This will involve the following activities:
- Traffic data collection, including road side interviews, automated number plate recognition surveys, automated traffic counts, manual classified traffic counts and also using public transport and mobile phone data.
  - A review of the internal representation of highway and public transport demand as well as an update of the representation of the road network in the model
  - Calibration and validation of the model in accordance with WebTAG guidance
  - The production of updated ‘Do Minimum’ forecasts
  - The production of associated documentation including Local Model Validation Report, Traffic Data Report, Demand Model Report and Forecasting Report
- 2.43 The updated transport model will be delivered by June 2020.
- 2.44 The model will deliver value for money through an enhanced level of transport modelling. This should ensure a more accurate representation of the environmental impacts of schemes. It should also be noted that Kirklees

Council has already been out to the market through a tendering process and this has identified a preferred supplier. The overall cost of the model compares favourably with equivalent model development/update schemes in other authorities.

2.45 The benefits and implications for inclusive growth will come from successful delivery of the Transport Fund projects supported by use of the model.

**Risks**

2.46 The key risks for this project are:

- Data collection cannot be undertaken within the timescales required to deliver the proposed projects. To mitigate these risks Kirklees is already in negotiations with the preferred supplier and is funding the data capture.
- Possible calibration and validation issues during model development. To mitigate Kirklees will regularly monitor progress and escalate issues as necessary.

**Costs**

2.47 The total cost to deliver the project is £334,000.

2.48 The Combined Authority’s contribution to the scheme is £167,000.

2.49 Kirklees Council is contributing the balance amounting to £167,000.

**Timescales**

2.50 The detailed timescales of the project have yet to be finalised. The timing of a decision point 5 (full business case plus costs) submission has yet to be agreed with Kirklees Council, but delivery of the model is expected to be complete by June 2020 (decision point 6).

**Assurance pathway and approval route**

Assurance pathway	Approval route
Decision point 2 (case paper)	Approval - Combined Authority
Decision point 5 (full business case with costs)	Recommendation – the Combined Authority’s Programme Appraisal Team Approval – the Combined Authority’s Managing Director

**Tolerances**

Project tolerances
That Combined Authority costs should remain within 10% of the costs outlined in this report.

That timescales should remain within 3 months of the timescales set out in this report.

## Project responsibilities

<b>Senior Responsible Officer</b>	Angela Blake, Kirklees Council
<b>Project Manager</b>	Keith Bloomfield, Kirklees Council
<b>Combined Authority case officer</b>	Matthew Page, Combined Authority

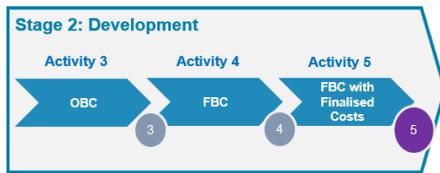
## Appraisal summary

- 2.51 The strategic and commercial cases are strong given that the model will be required to develop business cases for the transport fund projects in Kirklees.
- 2.52 The financial case is robust, given that the costs of the scheme are based on the quotation from the supplier. The economic case for the project is not strictly relevant as it supports the development of other schemes rather than having direct benefits itself.
- 2.53 Management procedures for overseeing the development of the model and linkages with partner councils and the CA to ensure consistency in model development should be further elucidated at DP5 (full business case plus costs).
- 2.54 The project is at an advanced stage of development having already been through a procurement exercise with a preferred supplier identified.

## Recommendations

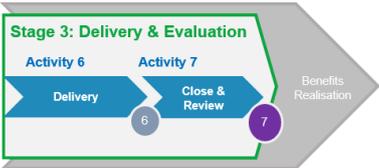
- 2.55 That the Combined Authority approves that:
- (i) The Kirklees Transport Model project proceeds through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs).
  - (ii) An indicative approval to the West Yorkshire Combined Authority's contribution of £167,000 (which will be funded through £167,000 from the West Yorkshire-plus Transport 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). The total project value is £334,000.
  - (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 through a delegation to West Yorkshire Combined Authority's Managing Director following a recommendation by West Yorkshire Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

## Projects in Stage 2: Development



- 2.56 Projects at this 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.
- 2.57 There are no schemes at this stage of development which require consideration at this meeting.

**Projects in Stage 3: Delivery and Evaluation**



<b>Project Title</b>	<b>Clean Bus Technology Fund</b>
<b>Stage</b>	3 (Delivery and Evaluation)
<b>Decision Point</b>	Change request (activity 6)

Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:		

**Background**

- 2.58 The Combined Authority and Leeds City Council secured a combined £4.21 million grant from the Department for Environment, Food, and Rural Affairs (DEFRA) in November 2017, to deliver clean bus technology to buses across West Yorkshire.
- 2.59 The clean technology improves bus emission levels up to Euro 6 standard or better and will apply the standards required by the incoming Leeds Clean Air Charging Zone across West Yorkshire. The funding is allocated to bus operators across the region via a competitive bidding process.
- 2.60 The initial scope anticipated delivery of clean technology to approximately 30% of West Yorkshire’s public bus fleet (around 300 vehicles), with an estimated yearly reduction of 359 tonnes in nitrogen oxide (NO<sub>2</sub>) and 112 tonnes of carbon dioxide (CO<sub>2</sub>), representing a forecast £23.8 million of environmental and health savings.
- 2.61 Due to significant operator interest, in addition to the DEFRA grant, an additional £850,000 contribution from Leeds City Council through the Leeds Public Transport Investment Programme (LPTIP) was secured to expand the scope and geographical spread of the project outputs and benefits. A further £1.028 million was put forward as bus operator match contribution as a result.

- 2.62 A total scheme cost of £6.088 million was presented at full business case with finalised costs (activity 5), with approval by the Managing Director granted in September 2018, enabling the scheme to progress to activity 6 delivery.

### **Description of Change Request**

- 2.63 In March 2019 DEFRA invited the Combined Authority to bid for up to £3 million of further funding to expand the existing project. Following engagement with bus operators to assess market demand, it was identified there is strong interest, particularly in Leeds and Bradford given the approaching Clean Air Charging Zone in Leeds.
- 2.64 The Combined Authority has secured an additional £2.976 million of DEFRA grant, plus estimates £506,000 of additional bus operator match fund contribution.
- 2.65 The promoter through the change request has now come forward to seek approval of an additional £3.482 million in scheme costs.
- 2.66 It is estimated that the additional funding will deliver clean technology to up to 179 additional buses, to yield a further 201 tonne yearly reduction in nitrogen (NO<sub>2</sub>) oxide and a further 67 tonne yearly reduction in carbon dioxide (CO<sub>2</sub>), estimating additional environmental and health savings of £13.4 million over a 5 year operational period.
- 2.67 It has been assessed that business case implications of approving the change request to the Combined Authority is minimal. This is because the additional funding has been provided by DEFRA, with an element of match contribution to be secured from bus operators, to yield significant additional environmental benefits to the City Region. The promoter has also established that adequate project management resource is available to deliver the expanded project.
- 2.68 Given the expanded scope, DEFRA have endorsed an extended delivery timescale of 31 March 2020 (from September 2019) as proposed by the promoter based on delivery experience of the current scope. The promoter is to continue submission of quarterly reporting on outputs to DEFRA, with the final report now to be submitted by 31 March 2020.

### **Outputs, benefits and inclusive growth implications**

They key outputs and benefits of the project are:

- Forecast yearly reduction of 560 tonnes of nitrogen oxide (NO<sub>2</sub>) over a five year operational period.
- Forecast yearly reduction of 179 tonnes of carbon dioxide (CO<sub>2</sub>) over a five year operational period.
- Forecast environmental and health savings of £37.2 million over a five year operational period.
- The scheme supports priority area 3 'Clean Energy and Environmental Resilience' of the Strategic Economic Plan.

- The scheme will deliver wider social benefits of improving health and quality of life with cleaner air.

### Risks

- 2.69 Delivery of the expanded project puts significant timescale pressures on the supply and delivery of clean technology fitments, with suppliers already overwhelmed with orders to meet the current scope due to the limited number of accredited providers. DEFRA endorsing the extended delivery timescales to 31 March 2020 does mitigate this risk.
- 2.70 Existing delivery risks of operators failing to agree to grant agreement conditions, and the standard of performance of the technology remain. These risks will not be exacerbated by the expanded project given the same suppliers and funding agreement template is to be used.

### Costs

- 2.71 On 21 September 2018, the Managing Director (via approved delegation) granted approval of the full business case with finalised costs (decision point 5) with a total scheme cost of £6.088 million. The total forecast scheme cost presented through this change request is £9.570 million. A breakdown is provided below:

Assurance pathway	Existing approved scheme	Change request proposal
Combined Authority DEFRA Grant	£2.84 million	£5.816 million
Leeds City Council DEFRA Grant	£1.37 million	£1.37 million
Leeds City Council LPTIP contribution	£850,000	£850,000
Bus Operator Match Contribution	£1.028 million	£1.534 million
Total Scheme Costs	£6.088 million	£9.570 million
Total funding which Combined Authority is the accountable body for	£5.06 million	£8.036 million

- 2.72 The Combined Authority would now be the accountable body for £8.036 million of this funding.
- 2.73 The scheme, through this change request, seeks Combined Authority approval of an additional £3.482 million of funding.

## Assurance pathway and approval route

Assurance pathway	Approval route	Forecast approval date
Change request (activity 6)	Recommendation: Investment Committee Decision: Combined Authority	01/08/2019
6 (Delivery)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2020
7 (Review and close)	Recommendation: Combined Authority's Programme Appraisal Team Decision: Combined Authority's Director of Delivery	31/03/2021

## Other Key Timescales

- 2.74 The promoter to update the Portfolio Management Group in September 2019 on DEFRA approved delivery timescales.

## Assurance Tolerances

Assurance tolerances
<p>That scheme costs remain within the funding envelope as set out in this report, except in the circumstance where additional funding is made available to the Combined Authority to extend the West Yorkshire wide delivery of the scheme, in which instance this approval will be delegated to the Combined Authority's Managing Director.</p> <p>That delivery programme timescales remain within 3 months of that set out in this report unless amendments are required as a result of the revised reporting timescales agreed with DEFRA, in which instance this approval can be delegated to the Combined Authority's Managing Director.</p>

## Project responsibilities

Senior Responsible Officer	Dave Pearson, Combined Authority
Project Manager	Michael Ramsey, Combined Authority
Combined Authority case officer	Asif Abed

## Appraisal summary

- 2.75 The change request details the opportunity taken by the Combined Authority to secure further funding made available by DEFRA, to enable delivery of an expanded project and a wider geographical spread of benefits.

- 2.76 The promoter has evidenced that the acceptance of further funding to expand the project was supported by the market demand feedback from bus operators.
- 2.77 The increase in funding does not impact on existing Combined Authority funding programmes given the additional funding is from an external public sector body, supplemented with an increased element of bus operator match contribution. The City Region will benefit from the additional output and the significant environmental and health benefits it will yield, supporting delivery of local and regional transport strategies and policies, as well as priority area 3 of the City Region Strategic Economic Plan.
- 2.78 The endorsement of extended delivery timescales to 31 March 2020 by DEFRA is justified given the promoter demonstrating the expanded project is not deliverable within the existing scope timescales.

### **Recommendations**

- 2.79 That Combined Authority approves the following change request :
- (i) The increase total scheme costs from £6.088 million to £9.570 million, (an increase of £3.482 million) is approved. This increase is funded from £2.976 million of additional DEFRA grant and an estimate of a further £506,000 bus operator match contribution.
  - (ii) The increase the Combined Authority contribution to the scheme from £5.06 million to £8.036 million, (an increase of £2.976 million) is approved. This will be funded from the additional DEFRA grant awarded to Combined Authority.
  - (iii) The revised delivery timescales to 31 March 2020.
  - (iv) For the Combined Authority to enter into a grant agreement with the preferred bus operator/s following procurement, for expenditure of up to £2.976 million, to be funded from the additional DEFRA grant secured by the Combined Authority.
  - (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this 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 this report.

## **Decisions made by the Investment Committee**

- 2.80 The Investment Committee is authorised to progress a scheme under the Assurance Framework in accordance with any bespoke approval pathway and approval route, subject to an exception relating to exceeding the cumulative total of the financial approval and tolerance levels agreed by the Combined Authority by more than 25%. Decisions regarding the following schemes have been made by Investment Committee on the 11 July 2019. The decisions were made by the Investment Committee following a recommendation from Combined Authority Programme Appraisal Team. All the schemes outlined below have remained within the financial approvals and tolerance levels agreed by the Combined Authority unless stated otherwise below.

### **A629 Phase 4**

- 2.81 This scheme is phase four (of five), of the A629 Corridor Programme, and seeks to provide infrastructure improvements for bus users, cyclists and walkers, to enhance and complement the capacity improvements that will be delivered through phases 1a, 1b, 2 and 5, but also Halifax Station Gateway and Huddersfield town centre schemes.
- 2.82 The Investment Committee approved the scheme should proceed through decision point 3 and work commences on activity 4 (full business case). The meeting also gave indicative approval to a total scheme value of £25.928 million.

### **Harrogate Road - New Line Junction Improvement**

- 2.83 The scheme will improve the existing junction at Greengates including widening of the existing highway on all four arms of the junction, signal upgrades, junction improvements and improvements for pedestrians and cyclists.
- 2.84 The Investment Committee approved the scheme should proceed through decision point 4 and work commences on activity 5 (full business case with finalised costs). The meeting also gave indicative approval to a total scheme value of £11.427 million.

### **Halifax Station Gateway**

- 2.85 This scheme is part of the wider Station Gateways programme to transform public realm, expand retail opportunities and improve passenger experiences. This scheme aims to construct a new station building that links to the current Grade II listed building, bring a disused platform back in to use, and relocate the car parking. The land in front of the station will also be redeveloped to enable walking and cycling access from the station in to the town centre.
- 2.86 The Investment Committee approved the change request for an additional £247,336 in development costs, taking the total approval up to £1.355 million

## **York Outer Ring Road Junctions Improvement Programme - Phase 1**

- 2.87 The York Outer Ring Road (YORR) scheme has been developed to both address existing issues and support the delivery of the future development set out in the York Local Plan. The scheme will deliver the short-term improvements to the YORR, consistent with City of York policy, York Local Plan Strategic Highway Capacity Improvements and the York Local Plan Infrastructure Delivery Plan which include reference to the short and long-term improvements needed to enhance capacity of the YORR.
- 2.88 The YORR upgrade project includes improvements to seven existing outer ring road roundabouts between the Wetherby Road and Monks Cross junctions. Phase 1 has already delivered improvements to the roundabout at the junction of A1237 and B1224 Wetherby Road. The works at the Wetherby Road junction were completed in the winter of 2018/19.
- 2.89 The Investment Committee approved the change request for an increase in total scheme cost to £4.054 million, with the additional costs of £266,581 being met through the existing programme budget of £38.276 million.

### **3 Inclusive growth implications**

- 3.1 The inclusive growth implications are outlined in each scheme, see above.

### **4 Financial implications**

- 4.1 The report seeks endorsement to expenditure from the available Combined Authority 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 the Combined Authority and the organisation in question.

### **6 Staffing implications**

- 6.1 A combination of Combined Authority and local partner council project, programme and portfolio management resources are or are in the process of being 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**

#### **Kirklees Cycling and Walking Early Gateway Transformation Package**

- 8.1 That the Combined Authority approves that:

- (i) The Kirklees Cycling and Walking Early Gateway Transformation Package proceeds through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs).
- (ii) An indicative approval is given to the Combined Authority's contribution of £1.895 million, which will be funded through the Transforming Cities 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). The total project value is £2.2 million.
- (iii) Development costs of £337,000 are approved (including £150,000 for advanced construction works on the Huddersfield element) in order to progress the scheme to decision point 5 (full business case with finalised costs).
- (iv) Future approvals are made in accordance with the assurance pathway and approval route outlined in this 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 this report.

### **Ultra-Low Emission Bus (ULEB)**

8.2 That Combined Authority approves that:

- (i) The Ultra-Low Emission Bus (ULEB) scheme proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs)
- (ii) An indicative approval is given to the Combined Authority's contribution of £1.650 million (which will be funded through £1.033 million from Leeds Public Transport Investment Programme (LPTIP) and £617,000 from the DfT ULEB scheme 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). The total project value of £2.7 million.
- (iii) Future approvals are made in accordance with the assurance pathway and approval route outlined in this 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 this report.

### **Kirklees Transport Model**

8.3 That the Combined Authority approves that:

- (i) The Kirklees Transport Model project proceeds through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs).

- (ii) An indicative approval to the West Yorkshire Combined Authority's contribution of £167,000 (which will be funded through £167,000 from the West Yorkshire-plus Transport 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). The total project value is £334,000.
- (iii) Future approvals are made in accordance with the approval pathway and approval route outlined in this report including at decision point 5 through a delegation to West Yorkshire Combined Authority's Managing Director following a recommendation by West Yorkshire Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in this report.

### **Clean Bus Technology Fund**

8.4 That Combined Authority approves the following change request :

- (i) The increase total scheme costs from £6.088 million to £9.570 million, (an increase of £3.482 million) is approved. This increase is funded from £2.976 million of additional DEFRA grant and an estimate of a further £506,000 bus operator match contribution.
- (ii) The increase the Combined Authority contribution to the scheme from £5.06 million to £8.036 million, (an increase of £2.976 million) is approved. This will be funded from the additional DEFRA grant awarded to Combined Authority.
- (iii) The revised delivery timescales to 31 March 2020.
- (iv) For the Combined Authority to enter into a grant agreement with the preferred bus operator/s following procurement, for expenditure of up to £2.976 million, to be funded from the additional DEFRA grant secured by the Combined Authority.
- (v) Future approvals are made in accordance with the approval pathway and approval route outlined in this 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 this report.

## **9 Background documents**

9.1 Business case summaries for the schemes recommended for approval by the Investment Committee are available here:

[11 July 2019 Investment Committee](#)

## **10 Appendices**

**Appendix 1** - Background to the Combined Authority's assurance framework

**Appendix 2** - Location maps for the schemes presented in this report

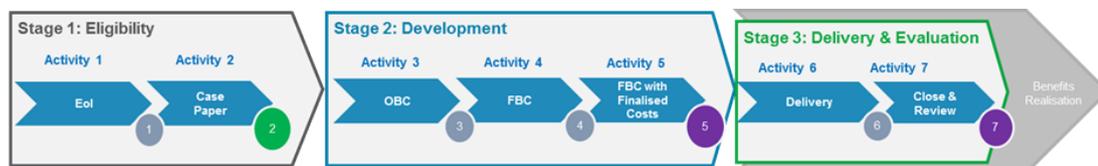
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**Report to:** West Yorkshire Combined Authority

**Date:** 27 June 2019

## Appendix 1: Background to the Combined Authority’s Assurance Framework Information

1.1 This report puts forward proposals for the progression of, and funding for, a number of schemes for approval by the Combined Authority, following consideration by the West Yorkshire and York’s Investment Committee. The Combined Authority will recall that a three stage approach has been introduced as part of an enhancement to current project management arrangements, with the requirement that all projects subject to minor exceptions as detailed in the assurance framework, will as a minimum, need to formally pass decision point 2 (case paper approval) and 5 (final cost approval) highlighted below, with the requirement to meet the intervening activities deemed on a project by project basis.



1.2 The Programme Appraisal Team (PAT) appraises all schemes at the decision points. The PAT consists of an independent panel of officers representing policy, legal, financial, assurance and delivery. The scheme promoters from our partner councils or partner delivery organisations attend the meeting to introduce the scheme and answer questions from the panel. The terms of reference for the PAT are contained within the Leeds City Region Assurance Framework.

### Assurance pathway and approval route

1.3 The tables for each scheme in the main report outlines the proposed assurance process and corresponding approval route for the scheme. The assurance pathway sets out the decision points which the scheme must progress through and will reflect the scale and complexity of the scheme. The approval route indicates which committees or officers will make both a recommendation and approval of the scheme at each decision point. A

delegated decision can only be made by the Managing Director if this has received prior approval from the Combined Authority.

### **Assurance Tolerances**

- 1.4 In order for the scheme to follow the assurance pathway and approval route that is proposed in this report, it should remain within the assurance tolerances outlined for each scheme. If these tolerances are exceeded the scheme needs to return to Investment Committee and/or the Combined Authority for further consideration.

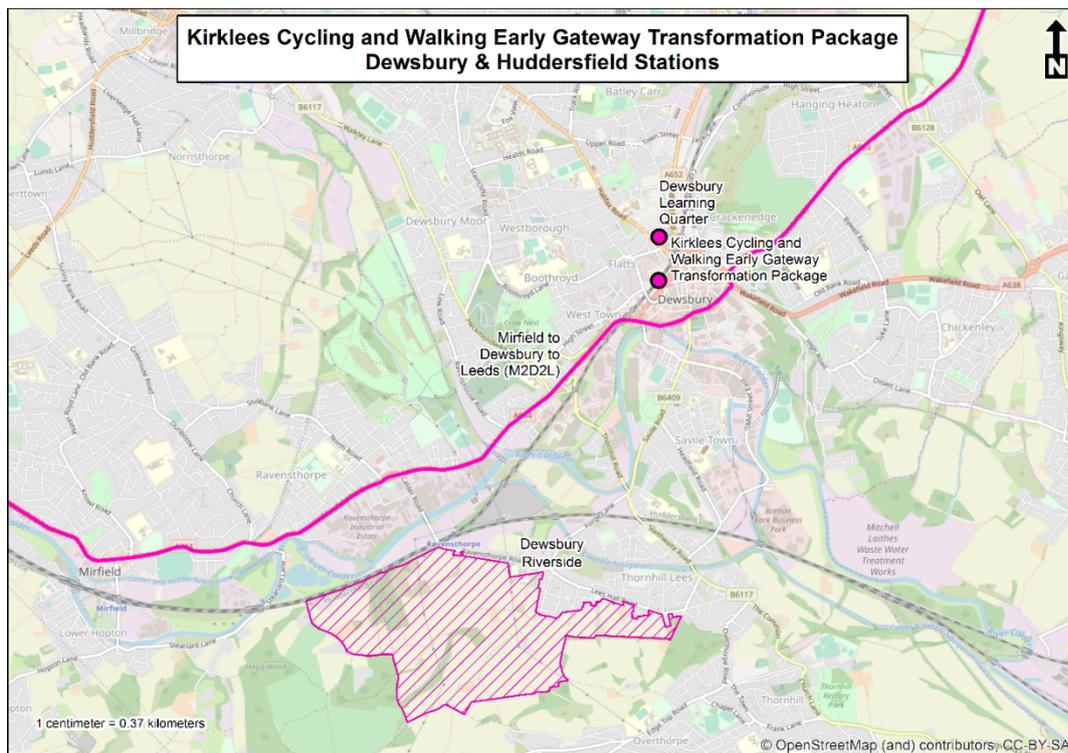
## LOCATION MAPS

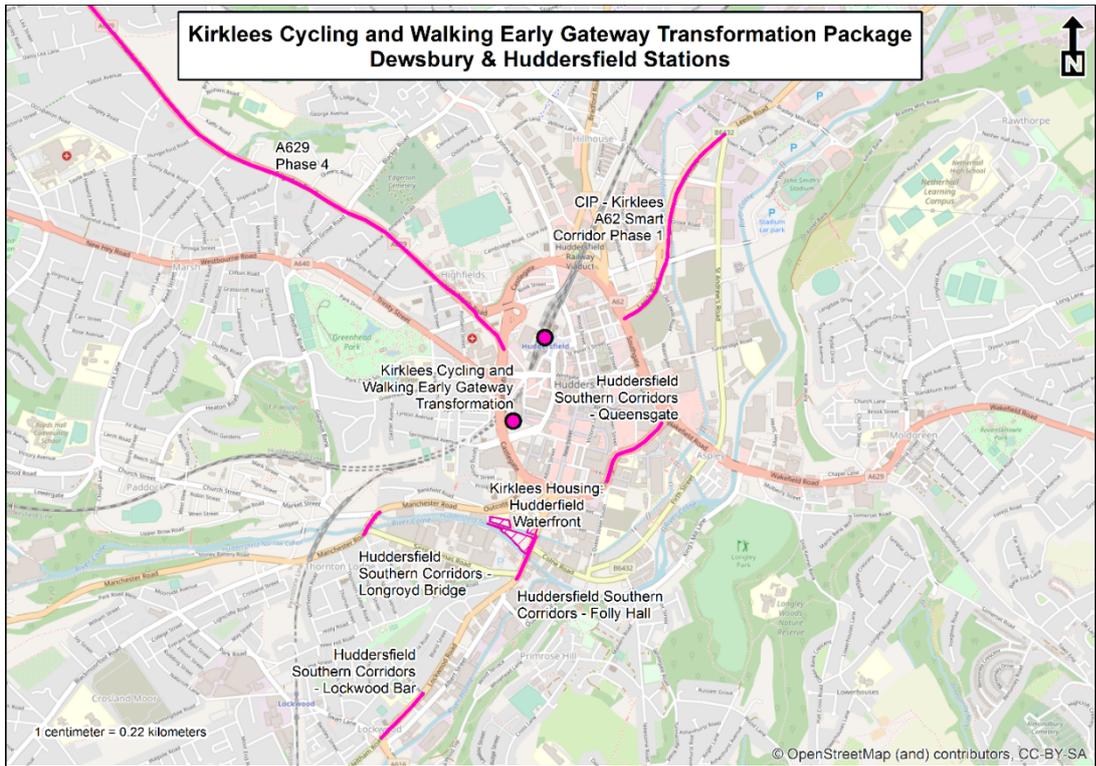
The following location map shows the scheme in this Capital Spending and Project Approvals report in relation to the other Combined Authority funded schemes in the surrounding area.

Please note, depending on the level of scheme development the location and scope of the schemes indicated below are indicative only.

For further information on Combined Authority schemes across the Leeds City Region please refer to: <https://www.westyorks-ca.gov.uk/projects/>

### **Kirklees Cycling and Walking Early Gateway Transformation Package**







**Report to:** West Yorkshire Combined Authority

**Date:** 1 August 2019

**Subject:** **HS2 Consultation Response**

**Director:** Alan Reiss, Director of Policy, Strategy and Communications

**Author(s):** Neil Moore

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

## 1. Purpose of this report

- 1.1 To provide an update on the proposed response to the HS2 Phase 2b Design Refinement Consultation which relates to changes to the proposed HS2 route between Woodlesford and the HS2 Leeds station.

## 2. Information

### Background

- 2.1 HS2 is the single largest investment in national infrastructure in the UK. It will act as a catalyst for regeneration and growth, stimulating connectivity to towns and cities across the Leeds City Region and the North, improving the skills and job prospects and creating opportunities for businesses and supply chain.
- 2.2 Once completed HS2 will connect Leeds to London in 1 hour and 21 minutes and Leeds to Birmingham in 49 minutes with services every twenty minutes. Delivery of HS2 is anticipated to generate an extra £54bn GVA to the region's economy and create 41,000 jobs through interventions proposed by the HS2 growth strategy.

- 2.3 HS2 Ltd is currently consulting on eleven proposed changes to the design of the HS2 Phase 2b route which includes one design refinement within West Yorkshire. The consultation period on these proposed changes opened on the 6 June 2019 and closes on 6 September 2019 and includes a number of information events in the Hunslet Area.
- 2.4 A previous consultation on 'Working Draft Environmental Statement' which covered the full HS2 phase 2b route was undertaken in autumn 2018. The Combined Authorities response at this time called upon HS2 to plan for and mitigate as far as possible the following:
- The disruption to the transport network including where it will worsen congestion, increase journey times and have a negative impact on local bus and rail services.
  - Where HS2 is expected to have an adverse environmental effect for example on existing green and blue infrastructure and air quality.
  - Where businesses are affected particularly the need for support packages to be implemented well in advance of any relocation dates.
  - To ensure that Leeds station is HS2 ready, with the full implementation of the masterplan
  - To work with Transport for the North to properly integrate HS2 with Northern Powerhouse Rail.
  - To continue to align plans for the depot with the plans for the Enterprise Zone (EZ) and compensate the Combined Authority for the loss of income that building the depot in the EZ has caused.
- 2.5 The revised proposals between Woodlesford and Leeds and resulting changes in impacts of construction and operation will result in changes to the quality and character of neighbourhoods along the route. Leeds City Council as the planning authority will be addressing these local issues.

#### Main Issues

- 2.6 The previous design proposals towards Leeds included a 2km bored tunnel under Woodlesford which emerged between the Hallam Line (which connects Leeds to Wakefield Kirkgate, Castleford and beyond) and the Aire and Calder Navigation Canal approximately 1km to the west of Woodlesford. Into Leeds HS2 is predominantly in a new cutting adjacent and lower than the existing Hallam Line. This design will require the existing rail line to be realigned southwards for 2.5km, substantial works to twelve road bridges and the closure of Jack Lane.
- 2.7 The design refinement for the Leeds corridor involves a change to the height of the route for 8km on the approach to Leeds from Woodlesford so that the line is predominantly on a viaduct, rather than a combination of at ground level, cutting and embankment.

- 2.8 The proposed design changes will impact both local communities along the 8km corridor and across the wider transport networks in South Leeds and beyond and offer both benefits and dis-benefits compared to the original proposals.

#### Benefits

- 2.9 Based on the new HS2 assessment, the viaduct avoids the need to realign the Hallam line and requirement for lengthy closures which results in less disruption for rail passengers and freight movements into Leeds from the south.
- 2.10 The new design also removes the need to reconstruct nine bridges along the HS2 corridor between the M1 and Leeds centre and therefore avoids the need for 9-12 month road closures. Changes will still have to be made to the local road network but this offers a significant improvement with regards to how the highway network will operate during construction compared to the previous proposals. Therefore reducing the negative impacts on congestion and associated implications for bus passengers, non-motorised users and air quality.
- 2.11 The viaduct proposals reduce the amount of land take during construction and operation and offer the opportunity to utilise space under the viaduct for commercial enterprise or provide facilities for the local community.
- 2.12 It reduces constraints in the construction programme and brings about a cost saving which improves the deliverability of phase 2b of HS2 between Birmingham and Leeds.

#### Dis-benefits

- 2.13 There will be a significant visual impact of the viaduct structure through South Leeds including residential areas in Rothwell, Woodlesford, Hunslet and Belle Isle. The Viaduct will have a typical clearance height of 5.7m and vary in width between 14m and 32m leaving large undercroft areas.
- 2.14 It will result in increased noise pollution for communities along the viaduct. Noise assessment data has not been made available but mitigation measures may increase the visual impact or height of the structure.
- 2.15 The revised proposals require additional construction works in Rothwell Country Park and construction compounds closer to residents in Woodlesford (although it negates the need for a vent shaft in village which would also be disruptive).

### Potential outline response

- 2.16 The consultation requires a response to the following question – ‘What are your views on the proposal to change the height of the route on the approach into Leeds?’
- 2.17 The following paragraphs set out the proposed principles of the Combined Authority’s response. The Combined Authority continues to welcome the arrival of high-speed rail to the UK’s largest economy and population centre outside London. The Combined Authority recognise that HS2 is much more than a transport project. It will act as a catalyst for regeneration and growth around the region’s main transport hubs, it will improve connectivity to towns and cities across the Leeds City Region and it will improve the skills and job opportunities for the workforce.
- 2.18 HS2 is part of the region’s wider ambitions for inclusive growth across the Leeds City Region. This growth is essential in order to raise living standards and tackle deprivation, boost innovation, exports and create new jobs. HS2 helps to achieve our goals by strengthening business links, by opening up new markets and access to talent and by connecting people to jobs.
- 2.19 The Leeds City Region have committed to becoming the UK’s first zero carbon city region. HS2 will not only improve long distance rail travel but free up capacity on the existing rail network enabling modal shift from private car and air travel for existing and future trips. HS2 as part of an integrated transport network provides an opportunity to de-carbonise public transport within the City Region.
- 2.20 The Combined Authority recognises the challenges and complexities of the construction of a high speed route into Leeds City Centre and welcomes the opportunity to reduce the impacts of construction and travel disruption to both the road and rail network and the knock-on effects on local communities and business as a result of congestion.
- 2.21 However, it is proposed the Combined Authority makes clear that the final design of the viaduct should minimise visual intrusion and noise pollution with enhanced landscaping, high quality design and noise mitigation measures for local residents.
- 2.22 It is also proposed that the Combined Authority requires HS2 to make the viaduct undercroft an area to be utilised for employment opportunities with active frontages or community space and not a sterile environment. It also provides an opportunity to maximise cycling and walking connectivity along the viaduct corridor and the potential for new multifunctional public spaces aligning with the City Regions Green and Blue Infrastructure and Delivery Plan. In the first instance, this should be funded by HS2 as part of benefit to the community through which the railway passes. Also, for the community and beyond, it is proposed that the response presses HS2 to do more to engage people about the opportunity the railway provides, including in investing in skills so that local people can benefit from the jobs created by the investment.

- 2.23 The viaduct proposals must not compromise the proposed Stourton touchpoint which will allow NPR services south of Leeds to access the existing station and continue towards York and the North East.

Leeds City Council draft response

- 2.24 Leeds City Council in their proposed response continue to welcome the principle of HS2 and the economic investment it will bring to the city but are mindful that greater attention is paid to the project's impacts on communities and the environment. They propose to raise concerns that the current visual information is inadequate and they are therefore unable to determine if the viaduct proposals are acceptable. Their response asks that visual intrusion is minimised, a high level of noise mitigation is provided, walking and cycling is incorporated into the new design as well as public spaces, green infrastructure and flood mitigation. They also call for a funded development strategy and masterplan to develop areas under and adjacent to the proposed viaduct. The link below is to Leeds City Council's Executive Board report that explains their proposed response in more detail.

Climate emergency

- 2.25 HS2 published the Working Draft Environmental Statement (WDES) in Oct 2018 which sets out the mitigation measures for the preferred route. The WDES does not provide sufficient level of details beyond a high level statement indicating that measures will be implemented to manage dust, air pollution and odour during construction and that it is not predicted that there will be significant adverse route-wide air quality effects during operation. The Combined Authority will engage further with HS2 to assess the implications of HS2 on the climate emergency. A West Yorkshire Low Emission Strategy has been adopted by the Combined Authority and all West Yorkshire Partner Councils. This outlines measures to significantly improve air quality across the region and makes a series of recommendations which include planning and new development. We have asked HS2 Ltd to consider this strategy as part of their development.

**3. Inclusive Growth Implications**

- 3.1 There are no inclusive growth implications directly arising from this report. However, through the response to the HS2 consultation, as set out above, it is proposed that the Combined Authority presses for mitigation of the impacts of the route, new community facilities and investment in skills for people to take advantage of the opportunities presented by HS2.

**4. Financial Implications**

- 4.1 There are no financial implications directly arising from this report.

## **5. Legal Implications**

5.1 There are no legal implications directly arising from this report.

## **6. Staffing Implications**

6.1 Response to HS2 consultation is currently dealt with by the existing resources within the Policy and Strategy Directorate.

## **7. External Consultees**

7.1 No external consultations have been undertaken.

## **8. Recommendations**

8.1 That the Combined Authority endorses the principles of the consultation response in sections 2.16 – 2.23.

8.2 The final consultation response is approved by the Transport Committee prior to submission on the 6 September 2019.

## **9. Background Documents**

9.1 HS2 Phase 2b Design Refinement Consultation can be downloaded at - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/807420/hs2-phase-2b-design-refinement-web.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/807420/hs2-phase-2b-design-refinement-web.pdf)

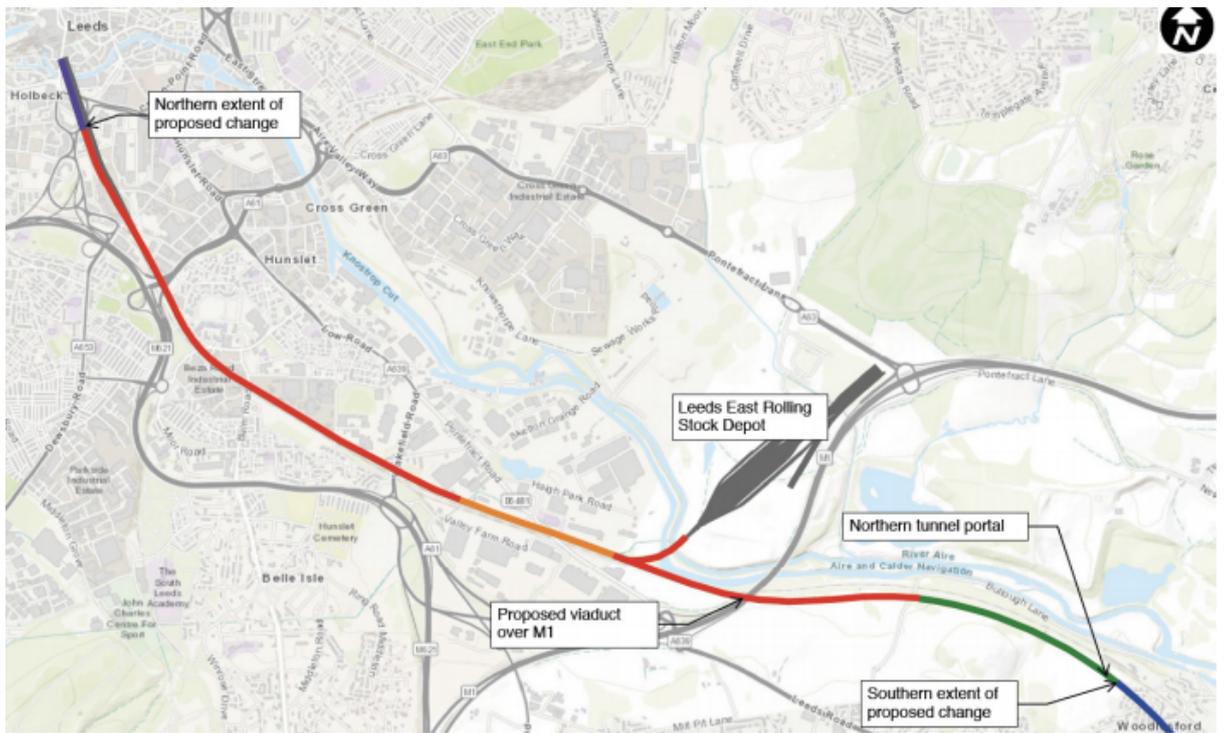
9.2 Leeds City Council proposed response can be downloaded at - <https://democracy.leeds.gov.uk/documents/g9770/Public%20reports%20pack%2024th-Jul-2019%2013.00%20Executive%20Board.pdf?T=10>

## **10. Appendices**

Figure 1 - Revised HS2 route to Leeds

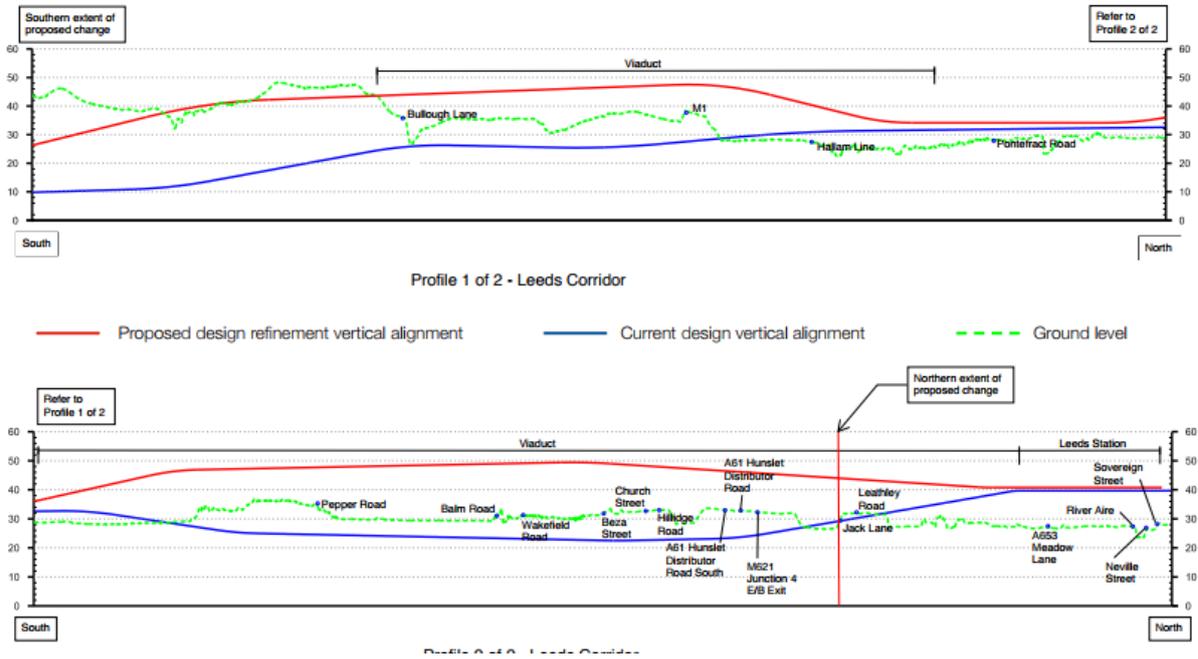
Figure 2 – HS2 alignment into Leeds

Figure 1 – Revised HS2 route to Leeds



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Figure 2: HS2 alignment into Leeds



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**Report to:** West Yorkshire Combined Authority

**Date:** 1 August 2019

**Subject:** **Blake Jones Rail Review**

**Director:** Dave Pearson, Director, Transport Services

**Author(s):** Richard Crabtree

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	N/A

## 1. Purpose of this report

- 1.1 To provide the West Yorkshire Combined Authority with an update on the rail reviews.

## 2. Information

### The Blake Jones Review of the Rail North Partnership

- 2.1 The introduction of the May 2018 rail timetable changes in the North led to severe disruption for passengers and businesses. Cllr Blake on behalf of TfN and the Minister for Rail at the Department for Transport (DfT) undertook a joint TfN/DfT Review into the issues, "The Blake Jones Review of the Rail North Partnership". A small review team was established consisting of officials from TfN, DfT and West Yorkshire Combined Authority and views were obtained from Local Transport Authorities in the North, LEPs, Transport Focus, train operators, TfN, DfT and the Rail North Partnership.
- 2.2 The Review was published on 19 July 2019, the summary document to the review is attached as Appendix 1. The Review identifies five recommendations

for immediate implementation and a further four recommendations for longer term implementation, and which are made to inform the William Review.

- 2.3 The five recommendations for immediate implementation can be taken forward without making changes to the governing agreement between DfT and TfN for the co-management of the Northern and TransPennine Express Franchises (the Partnership Agreement), and similarly do not require changes to the existing Northern or TransPennine Express Franchise Agreements. The five recommendations are set out below:

#### **Recommendation 1**

Work with Train Operating Companies (TOCs) on a new 'Passenger Promise' to ensure passengers are the central focus of decisions by the rail industry and the Rail North Partnership. It will set out the standards and behaviours passengers can expect. This will include:

- a) Developing new proposals for improved passenger information, to ensure communication is effective particularly during periods of disruption.
- b) Giving passengers a stronger voice, by promoting and expanding opportunities for passengers to engage with decisions about their local services.
- c) A new collaboration between the Rail North Partnership and Transport Focus,
- d) as well as stronger links with businesses in the region, to seek out opportunities to consider the passenger perspective in decisions made by the Partnership and get better information on passenger perspectives to shape future plans.
- e) A regular sector-wide snapshot of performance and passenger experience enhancing existing reporting arrangements to ensure impact is fully understood. This approach will bring together local intelligence, operational performance information, passenger feedback, and infrastructure updates, to consider future impacts on passengers, rather than merely reporting historic operations, with suitable early warning systems for foreseen problems.

#### **Recommendation 2**

A package of measures to provide greater political oversight of the decision-making process within the RNP. This will ensure there is a 'golden thread' between political decision making, implementation by officers, and outcomes for passengers. This will include:

- a) Empowering political leaders to be responsible and accountable for strategic decisions that impact on services to passengers in the North, enabled by a new formal scheme of delegations to set out how and where key decisions are made.
- b) A revised Terms of Reference for the Rail North Committee, setting out how meetings will operate, its role and remit reflecting the new scheme of delegations, and highlighting the ability to escalate matters within Transport for the North's governance in order to engage directly with Ministers for the Department for Transport.

- c) Direct reporting of the Rail North Partnership Board Members who represent TfN to the Rail North Committee, along with an explicit role for the Rail North Committee Chair to give direction on behalf of Northern leaders to those Board Members on urgent matters arising between meetings of the Committee.
- d) An annual review of the Rail North Partnership arrangements jointly held by the Secretary of State, or relevant minister, and Northern Leaders to establish a forward look of the major risks, challenges, and priorities of the year ahead, alongside use of provisions within the Partnership Agreement to have more frequent reviews if required.
- e) Agreement of a new MoU between the DfT, TfN on behalf of Northern authorities, and Network Rail, to set out appropriate governance arrangements that are consistent with the ORR Inquiry and will deepen collaboration, aid coordinated decision-making, and ensure that there is appropriate input from the North into all rail issues.

### **Recommendation 3**

Establishment of an Information Protocol with a presumption of maximum transparency while respecting legal and commercial constraints and respective accountabilities of the parties where necessary, including:

- a) Access to all appropriate information needed for decision-making in line with the new scheme of delegations as per Recommendation 2, formalising the arrangement whereby reports, options and analyses are made available to DfT and TfN jointly and in parallel by default.
- b) A review of confidentiality provisions to ensure as much information as possible is available to decision-makers consistent with the legal obligations in the Franchise Agreements and the DfT's other obligations.
- c) A strengthened audit trail and greater public visibility regarding decisions made by the Partnership.

### **Recommendation 4**

Development of an Integrated Forward Plan for the RNP, reflecting the Passenger Promise and new scheme of delegations by establishing a collaborative work programme for the Partnership that brings together its delivery milestones and decision points joined up with the wider rail industry, covering:

- a) A jointly developed Communications Protocol covering the Partnership, the TOCs and other industry players, to ensure greater accountability of TOCs to passengers through communication to them that is clear, honest and insightful.
- b) This Communication Protocol will reflect the obligations on the TOCs to meaningfully engage on changes that impact on passengers, including to the detailed timetable and the Train Service Requirement.
- c) Progress against agreed benchmarks for passenger-facing measures in the Franchise Agreements, and the delivery of relevant elements of TfN's Strategic Transport Plan.
- d) A clear read-across with TOCs' annual business plans.

- e) A clear read-across to Network Rail's annual business plan. Additionally, a proposal for Network Rail to provide a regular dashboard that brings together progress on infrastructure and operational issues where relevant to RNP decisions. This mirrors the dashboard Highways England provides to the TfN Board.
- f) The annual review between the Secretary of State, or relevant minister, and Northern Leaders discussed above.

### **Recommendation 5**

Enhanced resourcing, in terms of both adequate levels and effective use, of the Rail North Partnership, specifically:

- a) Additional resources for the RNP Team and TfN Strategic Rail Team, recognising that as well as using and coordinating existing resources more effectively, there may be a need for an increase to deliver these recommendations. The DfT and TfN are committed to working together to provide this resource and will establish how this could be funded, considering existing contributions from the DfT, TfN, support from TfN's constituent authorities and the availability of future funding.
- b) To further support the use and management of existing resources, a member officer code of conduct for the Rail North Partnership and improved communications regarding the role of Rail North Partnership officers will be developed.

- 2.4 In addition there are recommendations that rely on more fundamental change in the longer-term, which is the topic of the ongoing William Review. The Blake Jones Review of the Rail North Partnership has therefore made four further recommendations for consideration by the Williams Review as follows:

### **Recommendation 6**

Whether, and how, a more effective 'guiding mind' for rail services in the North that considers system-wide risks and issues can be put in place, and the extent to which devolved bodies could have a greater role in this.

### **Recommendation 7**

Whether and how there can be a more explicit, integrated focus on the North by Network Rail together with greater accountability to TfN as part of this.

### **Recommendation 8**

Whether and how future rail services can be integrated across track and train (including how Network Rail and others will strengthen alignment between future service delivery and infrastructure availability) and aligned with the North's aspirations, as set out in Strategic Transport Plan produced by Transport for the North.

### **Recommendation 9**

Whether and how further devolution of rail responsibilities to the North will operate within any emerging overall rail industry structure.

- 2.5 The Transport for the North Board considered an Action Plan to deliver the recommendations of the Blake Jones Review at its meeting on 31 July 2019. A verbal update will be provided on this at the meeting.

#### Williams Rail Review

- 2.6 Keith Williams, independent Chair of the Government's Rail Review, provided an update at a Northern Powerhouse Partnership event on 16 July 2019 in Bradford. A full transcript of his speech is included as Appendix B.
- 2.7 He outlined five key elements of the "core passenger offer"- Reliability and Punctuality, Safety and Security, Value for Money, Consistency and Transparency, Accessibility. The key elements of the review recommendations are expected to be;
- a new passenger offer;
  - simplified fares and ticketing;
  - a new industry structure; and
  - a new commercial model
- 2.8 Williams has identified the importance of regional accountability for strategic decisions on rail which have a strategic economic significance. This will support further devolution to a regional level.

### **3. Inclusive Growth Implications**

- 3.1 There are no inclusive growth implications directly arising from this report. An important objective of the Combined Authority's contribution to the rail reviews has been to ensure that rail performs a role as part of the transport mix that maximises its contribution to our inclusive growth ambitions.

### **4. Financial Implications**

- 4.1 There are no financial implications directly arising from this report.

### **5. Legal Implications**

- 5.1 There are no legal implications directly arising from this report.

### **6. Staffing Implications**

- 6.1 There are no staffing implications directly arising from this report.

### **7. External Consultees**

- 7.1 No external consultations have been undertaken.

**8. Recommendations**

- 8.1 That the Combined Authority endorses the outcome of the Blake Jones Review.
- 8.2 That the Combined Authority notes the update on the Williams Review.

**9. Background Documents**

- 9.1 None

**10. Appendices**

Appendix 1 – Rail North Partnership Summary Report

Appendix 2 – Transcript of Keith Williams speech updating on the Government Rail Review

# **The Blake Jones Review of**

# **The Rail North Partnership**

**The May 2018 timetable crisis**

**&**

**Recommendations for the future role and  
functioning of the Partnership**

**Summary Report**

# Foreword

Last year's introduction of the May timetable changes did not go well. Cancellations, delays, overcrowding and late-running caused significant disruption to the lives of passengers, and trust in the railways' ability to provide reliable services was severely affected.

Whilst the December 2018 and May 2019 timetable changes were introduced without further significant disruption, there is still work to do to fully restore passenger confidence in the North's railway system.

Northern are now operating 2,000 more services each week compared with the start of the franchise but there are still concerns in the North with over-crowding, short formed trains, reliability and bottlenecks in a network which remains a cause for concern.

This Review recognises that more work is needed to address these basic passenger expectations. The failure of the rail industry to deliver a satisfactory service for passengers through the latter part of 2018 signalled the need for significant reforms, and this was one of three reviews that were commissioned to look at the problems and what could be done about them.

This Review focuses on the arrangements for managing the devolved Northern and TPE franchises with an emphasis on learning from the problems in the Spring and Summer of 2018. It looks at what led to these problems, their impact on passengers and business in the North, and what is needed to prevent them happening again.

The Department for Transport is responsible for rail franchising. The Rail North Partnership has been established to enable the Department and Transport for the North to jointly oversee the Northern and TransPennine franchises working closely with Network Rail to ensure the successful provision of train services for passengers in the North. This review has been informed by, not just its own research into the issues that led to the problems of 2018 and the feedback from our surveys from rail users and other stakeholders, but also from the work of the other main rail review, the ORR Report by Stephen Glaister.

Our recommendations focus on two overall areas: enhancing what passengers can expect from the industry, especially when it comes to timetable changes – a new 'Passenger Promise'; and improving the lines of accountability behind the scenes to clarify and make more transparent who is responsible for key decisions.

In addition, our Review raises longer term questions about more fundamental reform to be considered in the Williams Review that is underway and which will be a key report for determining the shape and future of rail services in the UK. These questions include how devolution within a much more integrated rail industry can provide a train service which will effectively support the North's growing economy.

Our sincere hope is that this Review will help inform those responsible for future decision-making be equipped as needed to take the decisions required to reform the rail sector with the prime focus throughout being on the needs of passengers. The recommendations of this report, together with the industry changes already implemented, should provide the foundation for the introduction of further enhancements for passengers in the coming months – including the provision of new trains, better facilities and smarter more responsive information systems.

Andrew Jones MP  
Rail Minister  
Department for Transport

Councillor Judith Blake  
Leader Leeds City Council  
Lead Transport Member  
West Yorkshire Combined Authority

# Introduction

The late spring/early summer of 2018 was planned to see the start of the first set of major service improvements implemented by Northern to transform their hitherto basic, but usable, rail service into something much better. Instead, for many passengers in the North of England the service faced totally unacceptable levels of disruption.

Passengers who up until then had been able to, for the most part, rely on train services to go about their business, lost their trust in the system. Basic rail services failed to operate; trains were often either late or cancelled – and when they did run they were often short-form trains, half the length of those that passengers had come to depend on.

As the crisis developed, information from Train Operating Companies (TOCs) was poor, and passenger anger at the disruption to services was aggravated by a lack of clarity over where responsibility lay. They were understandably bewildered as to why the situation arose and whose job it was to put it right.

The May 2018 timetable change – a change that had originally been supposed to offer better and more frequent services for rail travellers – proved quite simply inoperable. Delays to completing infrastructure upgrades led to poorly planned timetables – the failure of which meant that emergency measures had to be introduced in a bid to restore some semblance of a rail service – and for many months afterwards, TOCs struggled to offer a level of service that was anywhere near acceptable.

Those who suffered most were regular commuters travelling to jobs which help to power the North's economy.

The severe May 2018 disruption of rail service provision in parts of the North and beyond led to a series of reviews, designed to contribute to the reshaping of the rail industry. The actions from these reviews are part of a concerted effort to make sure such a failure never happens again.

**The responses to this Review were all provided during the Summer of 2018**

*“Daily stress travelling to work. Never know if the train will be on time and have all its carriages. I have a disability so not being able to find a seat or worrying about trains causes me stress. I had to be home at a certain time today and left work early to catch an earlier train to ensure I made it.”*

(Passenger, Chorley to Manchester)

This Joint Review is one such initiative. Its focus is on how the franchises in the North of England are managed, how the current arrangements played out before and after the timetable problems and how they can be improved in the future. It sits alongside the work of the Office of Road and Rail (ORR) Inquiry chaired by Professor Stephen Glaister and the Department for Transport's (DfT) Williams Review - but does not seek to duplicate the remit of either.

Instead, this evidence-driven Report focuses on using the feedback of passengers and the elected local representatives who form part of the Rail North Partnership together with evidence from user groups, industry experts and the industry itself to improve the working of the Rail North Partnership in order to drive through better outputs for rail passengers.

The strength of feeling around the impact of the May 2018 timetable change was unprecedented.

*"Total disruption to my commute for a week or more... The low point was Thursday with no trains to Urmston at all between 1546 and 1846. Last-minute changes and cancellations, no substitute bus service... Just terrible terrible terrible."*

(Passenger, Urmston to Colwyn Bay via Warrington)

# The Joint Review

## Objective

The objective of this Review is to jointly consider the arrangements for improving the existing collaborative management between DfT and Transport for the North (TfN) of the devolved Northern and TransPennine Express (TPE) rail franchises through the Rail North Partnership. This collaborative review intends to learn from the May 2018 performance issues, the steps that led to them, and will recommend solutions. This will ensure that passengers are at the heart of future joint decision making and will help avoid a similar crisis of this scale happening again. The Review has been led by Councillor Judith Blake, the Leader of Leeds City Council and Andrew Jones MP, Minister for Rail who replaced Jo Johnson MP, the Minister for Rail at the time of the original commissioning of the Review.

## Gathering evidence

The team conducting the Review comprised officials of the DfT, TfN, and West Yorkshire Combined Authority.

A mix of research, interviews and questionnaires was used to gather evidence, with analysis of the findings tailored to ensure the balance of input was accurately reflected.

*“Before the timetable changes there was a direct train from Stockport to Kirkby... I now have to go Stockport to Salford Crescent then from there to Kirkby. The first day of the new timetable the journey took 4.25 hours due to cancellations. The second day took 3 hours or so. By the third day I gave up and borrowed my son’s car which I have done every day since.”*

(Passenger, Stockport to Kirkby)

Much more detail on the approach to gathering evidence, the evidence itself, and the framework in which both the franchises and the Rail North Partnership operate can be found in the Technical Annex to this Report.

This Summary Report aims to communicate the context in which the Review’s proposals and recommendations are being made and what those proposals and recommendations are.

## Understanding the ‘landscape’

The full Technical Report accompanying this Summary Report explains the ‘landscape’ of rail operations and services in the North of England, the legislative environment in which it sits, the history and development of these two elements, and the structure and evolution of the Rail North Partnership itself.

This highlights the complexities of the way in which operating companies, Network Rail, DfT, the Rail North Partnership and TfN need to work together given the links between franchise development ambitions, rail infrastructure development plans and operational rail services.

Clearly reflected in the Review is a frustration among elected members in the North of England that the arrangements in place at the time of the timetable problems showed they have less ability to directly influence the planned and unplanned events that shape the provision of rail services for passengers than they would like.

This Review makes a number of recommendations on how this might be improved and how elected members, as local representatives of the passengers and communities served by the network, may be better equipped to be able to influence outcomes where choices need to be made. It comes at a time when confidence in the rail industry has been severely dented and at a time when required enhancements to rail infrastructure mean, unless the industry can be more effectively managed and overseen in the future, there is a real risk of further significant problems ahead.

A fundamental finding of the Review is the need for the interests of the passenger to take a greater role in driving the behaviours of the industry and those who have responsibility for overseeing it.

## Rail in the North of England

To fully understand the May 2018 rail crisis, it’s worth taking a look at how rail services, and the franchises that have provided them in the North of England, have developed.

TfN and DfT both recognise rail’s critical role in supporting economic growth, and for improved quality of life, and sustainable development. This role will only increase, as the economy grows, particularly for commuting. Success relies on good journey times and reliability, adequate capacity, and clear passenger information.

Historically there has been a severe lack of investment in rail in the North, especially on local services, with the Northern franchise let in 2004 as a ‘no growth’ franchise. This has stunted the growth of both infrastructure and service provision. As a result, passengers have missed out. TfN’s Long-Term Rail Strategy, which informs its Strategic Transport Plan, identifies how rail can play a critical role in matching skilled workers with appropriate

employment and help develop the North's economy towards its full potential.

Recognising this, the Government through Network Rail has commissioned major investment in infrastructure – collectively known as the “Great North Rail Project”. Part of this included the opening of the Ordsall Curve linking the rail termini in Manchester, together with significant route modernisation and electrification of the network in the North West.

The opportunity to exploit these enhancements came through the simultaneous re-letting of the Northern and TransPennine Express franchises in 2014-16, driven by the shared ambition of local and national politicians to transform rail provision in the North of England.

At the same time, leaders from across the North came together to propose rail devolution to ensure local knowledge was fully utilised in driving transport investment and running effective services. In 2014, Rail North Ltd was formed as a consortium of all local transport authorities covered by the Northern and TPE franchises and in 2018, Rail North Ltd was subsumed into TfN as the new sub-national transport body, helping deliver the Northern Powerhouse.

The new franchises were specified by DfT with major input and ownership by Rail North Ltd to provide step-change enhancements for rail provision in the North. Together, through the competitive process, they secured a £1.5 billion investment in rail, with a major increase in services, over 500 new carriages, a more than 40% increase in capacity, £60 million for stations, and 2,000 extra services a week by 2020 as well as the complete withdrawal of the ‘pacer’ trains. This was unprecedented.

## The Rail North Partnership and the franchises

As a first stage of devolving powers to the North, the Rail North Partnership (RNP) was established for the DfT and TfN to jointly manage the Northern and TPE franchises on their behalf and thereby fulfil their shared ambition to transform rail services in the North. A locally-based management team (the RNP team) was established in Leeds, reporting to a Rail North Partnership Board, with equal representation of officials from each partner and an independent Chair to assist the Board to reach consensus.

While most franchises are managed by a commercial management team within the DfT, it was the RNP management team which, under the Partnership Agreement, assumed responsibility for managing the Franchise Agreements for Northern and TPE. Funding was provided to allow for this, and the RNP team was given full access to all DfT support services.

Some matters in the Partnership Agreement are reserved to the DfT (primarily relating to finance and risk), and some are delegated to TfN (which manages them through the Rail North Committee, a body set up following the absorption of Rail North into Transport for the North). Others are delegated to the RNP team, and still others sit with the RNP Board

(which is intended to be a strategic body).

The current partial devolution of franchise management is set out in a Partnership Agreement which was agreed and commenced at the start of the new franchises in April 2016. The TfN governance was not fully established at this point and it is appropriate in the light of events in 2018 to update the workings of the Partnership Agreement to create clearer accountability between the members of the RNP Board and their respective political representatives.

Since April 2018, TfN's role and functions within the RNP have been overseen by the Rail North Committee comprising 11 elected members drawn from the transport authorities. In addition, from the start of the franchises, officials from all the local authorities involved have had extensive involvement with detailed service changes in their areas through Officer Steering Groups. These arrangements for managing TfN input into the management of the franchises (which were in their infancy at the time) proved insufficient given the time pressures which dictated decisions around the May 2018 changes.

It's important to note that many service enhancements in franchise bids are based on assumptions of future planned infrastructure delivery, and where this is not delivered or is late, the risk usually sits with the DfT should such non-delivery affect finances. There have been a number of service enhancements planned in the franchises which have been delayed by late infrastructure delivery.

***To fully understand the May 2018 rail crisis, it's worth taking a look at how rail services, and the franchises that have provided them in the North of England, have developed.***

## How rail franchises are specified and managed

A key point to note is that under the current franchising model, the point at which political leaders (nationally or locally) have the greatest ability to influence the provision of rail services is when the franchise is specified prior to being tendered.

Having set the specification, and agreed the commercial model, the competitive process then takes place according to the terms of the Invitation to Tender. Bids are received and evaluated by officials who then contract the offer of the winning bidder – including service enhancements above the minimum specification – into the Franchise Agreement. At this point the minimum agreed outputs for the next franchise term are fixed. This is the legal basis on which services are provided and the franchise is managed and enforced, and all decisions needed, whether taken by officials or directed by political leaders, must be consistent with the Franchise Agreement.

If the TOC fulfils its obligations in the Agreement then any requirement by officials or political leaders for it to ‘do more’ must be negotiated and potentially paid for as a Variation to the Franchise Agreement. There is more need for proactive decision making when the franchise is unable to deliver its contractual obligations, either for reasons beyond its control or not, and this is where officials may need to seek ministerial direction or agreement depending on the circumstances and the arrangements for using delegated authorities.

The timetable changes in the North were rooted in the specifications for the new franchises, but some changes, such as the new routing of TPE services through Manchester, had their origins in the earlier ‘Northern Hub’ infrastructure programme. This was overlaid with the TOC’s own planned enhancements as part of the competitive bidding process for the new franchises. All these elements then had to be made to fit together as part of the timetable development process, leading to further changes.

Under ‘business as usual’, it was envisaged that the RNP team would agree minor changes and ensure compliance, and the RNP Board would be the strategic body focusing on franchise development and agreeing significant changes, seeking direction from ministers or elected members as required.

Prior to May 2018, this arrangement was adequate, however it did not provide for the level of political direction and ‘real time’ decision making needed to manage the risks and issues which emerged during the lead up to the May 2018 timetable changes.

## Network Rail

There is currently no direct formal relationship between the RNP team and Network Rail although Network Rail is a ‘delivery partner’ member of the TfN Board.

The DfT has a contractual relationship with the TOCs (managed in the case of Northern

and TPE on a day-to-day basis by the RNP team), who in turn have a contractual relationship with Network Rail, especially with respect to access to the network on a day-to-day basis. In terms of enhancement schemes, the North of England Programme Board, chaired by the DfT, with representatives from Network Rail, TfN, the RNP team and the TOCs, is the platform on which these get shared visibility. However, Network Rail, despite being the infrastructure delivery organisation essential for franchise delivery, is not part of the Rail North governance. There was a clear desire from Northern leaders for greater local involvement in and accountability for Network Rail decision making.

There are currently two Network Rail Route Directorates, along with the System Operator and the Infrastructure Projects team, affecting the North. Network Rail has appointed a North of England Director as a single point of contact. Network Rail attends TfN Board, and the two organisations work closely together to make the case for and deliver investment and enhancements. These arrangements are expected to change following the recently announced re-organisation of Network Rail.

## Events that led to the May 2018 problems

The development of the May 2018 timetable was a massive failure on the part of the rail industry that led to severe hardship for passengers and businesses across the North.

Although the originally proposed May 2018 timetable had been endorsed by Northern authorities, this timetable had to be changed at very short notice due to infrastructure delays. It should be noted that the train operating companies did raise concerns about this and Northern had requested the December 2017 timetable be rolled over. The situation was further compounded by a failure, on the part of the industry, to adequately communicate the rationale for the changes - or leave sufficient time to take on board local feedback.

*"I now get to work 15 mins later than I used to. My trains home (services between 5pm and 6pm) have now reduced by 33%, and of those that still run, they do so from different train stations... in the first working week of the changes, I submitted five delay repayment claims, over double the number I submitted in the three years prior to timetable changes."*

(Passenger, Rainhill to Manchester Victoria)

As the ORR Inquiry reported, the infrastructure improvements supporting a major uplift in passenger services were delayed and the subsequent late substitute plans were flawed in their delivery.

Delays to the Manchester-Preston electrification scheme were the root cause of the complete failure of the new timetable for much of the North in May 2018.

The industry mitigation for the delays (when they became apparent in January 2018) was a proposed 'hybrid timetable' for Northern, as there were no credible alternatives at that late stage. The plan to develop and implement the revised plan in the 16 weeks available rather than the usual 40 weeks proved to be overly-optimistic and too complicated.

These problems were then compounded by two further problems not foreseeable at the time of the decision to implement the hybrid timetable in January 2018; firstly, the fact that Northern and ASLEF were unable to renew an agreement for drivers to work rest days from February 2018, which was not resolved until June, and secondly the unexpected extension by three weeks of the blockade to ensure the completion of electrification between Preston and Blackpool. This meant that 1,350 additional driver training days were needed which severely reduced their availability until towards the end of the summer.

Neither political leaders in the North, nor Ministers, were sighted on the full implications for passengers of these compounding issues, and rail performance was further compromised by the Castlefield bottleneck in the months that followed.

A failure to fully communicate the revised plans, and the risks inherent in them, led to a situation where Ministers, officials, elected members and stakeholders were unaware of the potential problem looming.

Even at the last minute the industry failed to identify and properly communicate the scale of the potential problem and take mitigating actions to avoid the severe disruption to people's lives.

As this review confirms, the Rail North Partnership governance arrangements did not cause the timetable failure, however what happened has highlighted opportunities for increased scrutiny of TOCs and greater local planning and involvement.

*"The unique devolved governance structure under which the Northern and TPE franchises operate, involving authorities from the North of England alongside the DfT, is complex and subject to a separate review in light of the May 2018 timetable disruption; the Blake Johnson Review (now Blake Jones)*

(ORR Review)

***Even at the last minute the industry failed to identify and properly communicate the scale of the potential problem.***

*“On the basis of the evidence reviewed by this Inquiry, we find no reason why this structure created risks that were material to the failure to introduce an operational timetable by Northern, subject to the conclusion of that review.”*

(ORR Review)

This is fundamental to the recommendations of this Review, and better working relationships, greater empowerment and clearer lines of communication between the officers on the Rail North Partnership and the elected representatives on the Rail North Committee has already begun in response.

It was also unfortunate that during the period leading up to and after May 2018, the old arrangements for elected members to come together were being changed to reflect the new statutory body of Transport for the North. The timing of the change meant that there was a vacuum of communication and engagement with elected members at a time, in hindsight, when it was most needed. Strengthened TfN governance will enable the TfN Rail North Committee to give clear direction to the TOCs' choices in the timetable process.

## Office of Road and Rail (ORR) findings

The ORR Inquiry found that risk first emerged in delays to the planning and delivery of the North West Electrification Programme (NWEF). This reduced the time available to develop the timetable and then further compressed the time for train operating companies to prepare for implementation of new services. The scale and impact of these interdependent risks became apparent in May 2018, without any of the parties responsible seemingly aware of the scale of the potential consequences until after the disruption occurred.

The Inquiry made findings attributable to Network Rail, the TOCs, the DfT and the ORR about the failures to identify these risks and properly manage them.

It found that:

- Network Rail's System Operator managed the timetable process and was in the best position to understand and manage the risks, but did not take sufficient action, especially in the critical period in autumn 2017;
- Northern was not properly aware of, nor prepared for, the problems in delivering the timetable and that they did not do enough to provide accurate information to passengers once disruption occurred;
- DfT and ORR have responsibilities overseeing most aspects of the industry and neither organisation sufficiently tested the assurances that they received from the industry about the risk of disruption, despite having information and powers that would have allowed them to do so;
- The rail industry's processes for planning and managing major timetable changes do not adequately manage the risk arising from the engineering and other projects on which they depend, or prioritise the impact on passengers when making decisions about these risks.

Specifically, the Inquiry found that the diffuse nature of accountability nationally for different programmes across the industry and government resulted in a lack of clarity about roles and responsibilities for the oversight and control of complex system risks.

The Inquiry also found an apparent gap in industry responsibility and accountability for the management of systemic risks, and the industry process needed to change to accommodate these responsibilities.

This is the finding which lay behind the Inquiry's central conclusion that 'nobody took control'.

*"[The] findings of this Glaister Review clearly highlight that there is a real need for radical change in the way the rail industry operates. Fundamentally, as our members have said from the outset, changes are needed so we can be sure passengers' interests are put front and centre of every decision made. The Report's summary highlights the Rail Delivery Group's statement that 'the timetable is our promise to passengers'.*

*This summer, in the North of England, and elsewhere, that promise was broken.*

*That is unacceptable.*

*It was passengers who suffered - and that must not be allowed to happen again."*

(Barry White, Chief Executive of Transport for the North)

## Response to the events

Feedback to this Review has confirmed widespread perceptions that the initial industry response to the May 18 timetable crisis was, at the very least, 'poor'.

Transport Focus found that the services provided by both Northern and TransPennine Express trains were not what passengers felt they were paying for. They said this had practical and emotional impacts and that it had affected people's work and home life and led to passengers having to wait longer for the much-needed improvements they were promised – and in some cases, are still waiting for.

It highlighted a failure to warn passengers in advance of the unprecedented disruption after the timetable change on 20 May, as well as very poor information 'on the day' in the immediate aftermath of the timetable implementation. It said this frequently made reliable journey planning impossible, with last minute cancellations and severe overcrowding.

Transport Focus' view is that there was a lack of openness in how the industry communicated with passengers that is likely to have damaged trust, not only in Northern and TPE, but in the railway as a whole.

*“The first issue is that confidence has been lost by stakeholders into the rail industry’s ability to deliver and manage a timetable change. No matter how well the information is communicated, if the service isn’t delivered as promised (on the scale of the May 2018 timetable) then the reputation of all partners (TOCs, DfT, Network Rail, TfN and local authorities) is severely tarnished.”*

**(Warrington Borough Council)**

*“Network Rail must be accountable for the impact of its decisions on passengers in the North. The Transport for the North Rail North Committee should be a formal consultee of Network Rail and be able to nominate on to key decision-making boards within the Network Rail governance.”*

**(West Yorkshire Combined Authority - Written Response)**

*“They’ve suffered a catastrophic loss of trust amongst the public.”*

**(Andy Burnham, Mayor of Greater Manchester)**

*“The Rail North Partnership was aware that the North West, and certain parts of it in particular, were most at risk of problems associated with timetable changes due to the lack of delivery of planned infrastructure. Could this have been mitigated if more contingency planning had taken place?”*

**(Lancashire County Council)**

*“If this disaster had happened a year or so later and the TfN arrangements had been running a little longer, then perhaps that might have helped. I don’t think it would have been good still, but it might have helped. But here we had an unhappy conjunction of newly established arrangements with a largely unprecedented level of problem.”*

**(RNP Chair)**

*“I think there needs to be a stronger ability to hold people collectively responsible, rather than allow space for individual entities to argue against each other.”*

**(TfN Board Member)**

(Member’s comments provided to the Review, Summer 2018)

## TfN and DfT Response

In the days following the timetable change, and in response to the severe problems experienced by passengers as a result of the shortage of trained drivers for the new timetable, TfN and DfT both took action and immediately escalated the issue with Northern. This was done through the RNP team and directly by each organisation.

## Action Plan

A number of urgent meetings were held to discuss an action plan to improve the situation for passengers. Northern indicated that they were developing an interim - or emergency timetable to bring stability. This was discussed with ministers and elected members of TfN and DfT later in the week when they raised a number of concerns about the interim timetable plan, and also agreed to instigate this Review.

But by this stage the severe disruption in much of the network was well underway.

Performance deteriorated further, and Northern took the operational decision to upload the interim timetable to industry systems so it could commence from Monday 4 June. This included the complete replacement of the train service on the Lakes Line to Windermere with buses.

*"I will say that passengers collectively would say that they are not happy with the level of communication that is quite often borne of disruptions and passengers very often feel they're not communicated with properly during disruptions and they are probably right."*

(RNP Board Officer)

Whilst the original interim timetable was implemented without the time for formal approval, amendments to the timetable (including the phased return of services to the Lakes Line) were subsequently discussed and agreed with Transport for the North.

The interim timetable ran until 31 July 2018 when Liverpool Lime Street Station re-opened after a successfully managed major blockade. The timetable stabilised the initial disruption, albeit with a lower number of services operating than originally planned, and with a level of performance still below acceptable levels.

## An independent expert to oversee the recovery

Despite the stabilisation of Northern services as a result of the interim timetable, it became apparent over the summer that the overall performance of both Northern and TPE was not improving as expected. Focus turned to the performance of TPE as well as Northern and particularly to issues on their North Route, which included problems of congestion through central Manchester.

TPE made two proposals to the TfN Board to improve performance for the December timetable but these were not endorsed.

TfN members therefore called for an independent leader to be brought in to oversee performance recovery in the North. Richard George, an industry expert, was subsequently appointed by the Secretary of State for Transport to oversee the industry's performance recovery, reporting jointly to the DfT and TfN and producing a report and action plan in early 2019.

Network Rail responded to the May 2018 timetable issues by establishing a Programme Management Office (PMO) to oversee all national timetable planning and change.

One of the first recommendations by the PMO was to limit changes in the December 2018 timetable (in the North of England and some other parts of the country) to improvements targeted at performance recovery to limit the risk of another chaotic change in December.

In the North, there were originally a number of further timetable changes planned which were dependent on infrastructure delivery. These were held over until May 2019, with the focus for December being on some quick 'fixes' to improve performance and reliability, and whilst these have had a positive impact, further improvements are needed.

Improvement plans are now being taken forward through an industry performance working group as well as the North of England Route Supervisory Board.

The RNP team also brought in additional resources to scrutinise the TOC's own preparedness and readiness plans for each timetable change including working on infrastructure, such as platform extensions, and rolling stock. This aligns with feedback to the Review.

The RNP team also required each TOC to provide a written statement of readiness in advance of the timetable change. These actions helped to ensure that the December 2018 timetable change passed without incident. There have been encouraging signs of recovery, although TfN and DfT are very closely monitoring progress and holding the industry to their committed recovery plans.

## Compensation

Following the disruption, TfN members called for compensation for affected passengers

and businesses and DfT agreed, quickly arranging for Network Rail to fund an industry compensation scheme. This was a significant first step and paved the way for Transport for the North to extend the scheme.

TfN worked closely with the TOCs and Transport Focus to develop an extension to this scheme. Season ticket compensation was announced in July and this was subsequently extended to cover regular non-season ticket holder travellers (those travelling an average of 3 or more days a week). This was the first such scheme in the country. Both schemes ran until December 2018 and passengers made over 13,000 successful claims. This is a comparable claim rate to other similar schemes and a total of around £2 million paid out at the time of this Report being produced.

Recognising the economic damage caused by the disruption, TfN members were also keen that businesses which suffered as a result of the disruption benefited from compensation. As a result, £500,000 was allocated to local authorities where there had been particular disruption to leisure markets. The funding was directed to encourage visitors, and therefore support local businesses.

The compensation scheme is a good example of the Partnership working together in practice, with DfT providing the allocation and ensuring consistency with other schemes elsewhere, and TfN providing the required local knowledge and understanding of the issues and priorities to tailor the package.

TfN is currently working with the TOCs and Transport Focus on the potential next phases of the compensation schemes. The aim will be to encourage a return to rail, and a return to the tourism economies. Initiatives are expected to include a combination of ticket giveaways and targeted offers plus funds used as a 'smart incentive' to encourage migration to smartcard season tickets.

## The key issues

This Review has taken a slightly different approach from the other industry reviews. It has used the other reviews and the evidence gathered to clearly identify the key issues for the North of England and used these to identify a series of recommendations and actions.

## Focus on passengers

At the heart of everything sits the passenger. Without the passenger a rail service is nothing. And yet consistently, those providing feedback to this review felt there were clear differences between the actions of the industry and the basic interests and priorities of passengers.

*"I think what the rail industry lacks is any sense of an accountable system of provision, all of the entities can argue against each other and it feels to me it's very difficult to disentangle."*

(TfN Board Member)

Passengers have to be put at the centre of decision making across the industry. Whilst functioning reasonably well during 'normal times', in many ways the current arrangements within the industry and the Partnership have been shown to be dysfunctional. This implies that real change is needed including a change in culture that recognises that passengers' interests should be at the heart of everything

First and foremost among the key issues identified by the Review is the need for greater 'Passenger Focus'.

*"It is often, not only unclear to passengers if, or how, their interests have been considered in decision-making, but also often which industry bodies are involved and their roles in decisions affecting them."*

(Transport Focus)

***First and foremost among the key issues identified by the Review is the need for greater 'Passenger Focus'.***

The Review is clear that current arrangements need to be strengthened with a much greater focus on the impact of actions on passengers. This includes addressing the lack of prior information about disruption. It is also clear on the need to better engage decision-makers in strategic choices and franchise development.

It's hard for local politicians to reconcile their own observations about the impact of poor performance and cancellations on the travelling public with the statistical information presented by the rail industry.

## Accountability & the 'golden thread'

It is clear from the feedback gathered by this Report, that there is a lack of clarity over the ownership of problems, obligations and remits in the rail sector. Interlinked with, and alongside this, many contributors believe there is no sense of appropriate influence or accountability for decisions on the part of Northern elected members. The lack of a 'golden thread' between their views and the service and infrastructure decisions which impact on passengers is a significant cause for concern and needs to be resolved.

The review has highlighted deep scepticism among the North's elected members that the rail industry displays the accountability to passengers common amongst other industries or to other public services. The feeling is that current governance arrangements, which initially worked well, have been shown to be inadequate in the face of difficulties and have not served passengers or local politicians well.

*"We need to take a hard look at the plethora of things that have been created. We need to map those and identify where there is overlap and we need to look at where we can, simplification and, at the very least, clarification of roles of the different bodies and processes and we need to get their various functions better understood between parties and the appropriate communications protocols agreed between those parties for different topics."*

(Independent Chair)

## Communications & Transparency

It is clear that communication of, and within, the decision-making process is an area that needs improvement.

The risks and opportunities that come with change and the impact on passengers need to be clearly visible and there needs to be, wherever possible, transparency with more accessible records of discussions and decisions.

*“Rail North has to have the ability to communicate far quicker and ‘more’ effectively with Members”*

(Transport for Greater Manchester Representative)

Although problems with information flow to members, often for valid reasons, was identified as a key issue in the Report, views were also expressed about the role elected members should, or should not, take in management decisions with respect to the rail industry.

During the review period, elected members have expressed surprise that, in a plethora of industry statistics and performance data, getting detailed information about services on a particular line or route, or on passengers left behind on station platforms (due to short formations and/or cancellations), cannot be provided by the TOCs. They believe this needs to change, albeit that it would add obligations to the existing Franchise Agreements and would require negotiation

## Trust & Responsiveness

Passenger and business trust in the rail industry has undoubtedly been undermined by recent events. Local and national government trust of the industry has also been tested. To rebuild trust, ownership of the process needs strengthening, the industry made more responsive, and the exchange of information improved.

*“Early honest and open communication at frequent intervals and at the appropriate level of seniority is essential”*

(Liverpool City Region Combined Authority)

# Recommendations

A stronger local sense of ownership of the railway and its complex decision-making processes is essential to restoring trust.

The lessons of the May 2018 timetable debacle are clearly captured in this Report and further evidenced in detail within the ORR Report by Professor Glaister which the full Review summarises.

Reflecting the views and voice of passengers and elected members, and other expert input, the Blake Jones Review is clear on its nine key recommendations.

## **Immediate changes - to be taken forward from April 2019 and which should be deliverable without amending current Partnership Agreement or Franchise Agreements**

1. Work with TOCs on a new 'Passenger Promise' to ensure passengers are the central focus of decisions by the rail industry and the Rail North Partnership. It will set out the standards and behaviours passengers can expect. This will include:
  - a. Developing new proposals for improved passenger information, to ensure communication is effective particularly during periods of disruption.
  - b. Giving passengers a stronger voice, by promoting and expanding opportunities for passengers to engage with decisions about their local services.
  - c. A new collaboration between the Rail North Partnership and Transport Focus, as well as stronger links with businesses in the region, to seek out opportunities to consider the passenger perspective in decisions made by the Partnership and get better information on passenger perspectives to shape future plans.
  - d. A regular sector-wide snapshot of performance and passenger experience enhancing existing reporting arrangements to ensure impact is fully understood. This approach will bring together local intelligence, operational performance information, passenger feedback, and infrastructure updates, to consider future impacts on passengers, rather than merely reporting historic operations, with suitable early warning systems for foreseen problems.
2. A package of measures to provide greater political oversight of the decision-making process within the RNP. This will ensure there is a 'golden thread' between political decision making, implementation by officers, and outcomes for passengers. This will include:
  - a. Empowering political leaders to be responsible and accountable for strategic decisions that impact on services to passengers in the North, enabled by a new formal scheme of delegations to set out how and where key decisions are made.

- b. A revised Terms of Reference for the Rail North Committee, setting out how meetings will operate, its role and remit reflecting the new scheme of delegations, and highlighting the ability to escalate matters within Transport for the North's governance in order to engage directly with Ministers for the Department for Transport.
  - c. Direct reporting of the Rail North Partnership Board Members who represent TfN to the Rail North Committee, along with an explicit role for the Rail North Committee Chair to give direction on behalf of Northern leaders to those Board Members on urgent matters arising between meetings of the Committee.
  - d. An annual review of the Rail North Partnership arrangements jointly held by the Secretary of State, or relevant minister, and Northern Leaders to establish a forward look of the major risks, challenges, and priorities of the year ahead, alongside use of provisions within the Partnership Agreement to have more frequent reviews if required.
  - e. Agreement of a new MoU between the DfT, TfN on behalf of Northern authorities, and Network Rail, to set out appropriate governance arrangements that are consistent with the ORR Inquiry and will deepen collaboration, aid coordinated decision-making, and ensure that there is appropriate input from the North into all rail issues.
3. Establishment of an Information Protocol with a presumption of maximum transparency while respecting legal and commercial constraints and respective accountabilities of the parties where necessary, including:
- a. Access to all appropriate information needed for decision-making in line with the new scheme of delegations as per Recommendation 2, formalising the arrangement whereby reports, options and analyses are made available to DfT and TfN jointly and in parallel by default.
  - b. A review of confidentiality provisions to ensure as much information as possible is available to decision-makers consistent with the legal obligations in the Franchise Agreements and the DfT's other obligations.
  - c. A strengthened audit trail and greater public visibility regarding decisions made by the Partnership.
4. Development of an Integrated Forward Plan for the RNP, reflecting the Passenger Promise and new scheme of delegations by establishing a collaborative work programme for the Partnership that brings together its delivery milestones and decision points joined up with the wider rail industry, covering:
- a. A jointly developed Communications Protocol covering the Partnership, the TOCs and other industry players, to ensure greater accountability of TOCs to passengers through communication to them that is clear, honest and insightful.

- b. This Communication Protocol will reflect the obligations on the TOCs to meaningfully engage on changes that impact on passengers, including to the detailed timetable and the Train Service Requirement.
  - c. Progress against agreed benchmarks for passenger-facing measures in the Franchise Agreements, and the delivery of relevant elements of TfN's Strategic Transport Plan.
  - d. A clear read-across with TOCs' annual business plans.
  - e. A clear read-across to Network Rail's annual business plan. Additionally, a proposal for Network Rail to provide a regular dashboard that brings together progress on infrastructure and operational issues where relevant to RNP decisions. This mirrors the dashboard Highways England provides to the TfN Board.
  - f. The annual review between the Secretary of State, or relevant minister, and Northern Leaders discussed above.
5. Enhanced resourcing, in terms of both adequate levels and effective use, of the Rail North Partnership, specifically:
- a. Additional resources for the RNP Team and TfN Strategic Rail Team, recognising that as well as using and coordinating existing resources more effectively, there may be a need for an increase to deliver these recommendations. The DfT and TfN are committed to working together to provide this resource and will establish how this could be funded, considering existing contributions from the DfT, TfN, support from TfN's constituent authorities and the availability of future funding.
  - b. To further support the use and management of existing resources, a member officer code of conduct for the Rail North Partnership and improved communications regarding the role of Rail North Partnership officers will be developed.

## Additional longer-term considerations

The additional long-term considerations are those which would require changes to the relationship between the Rail North Partnership, the rail industry and local and national government

As previously discussed, the Williams Review has been established in order to investigate wider changes to how the industry should work. In the circumstances it is agreed that making recommendations for more fundamental changes to the current arrangements and relationships would not be appropriate as these will be considered by the Williams Review. The recommendations would also need to be consistent with whatever wider reforms to industry structure and commercial models begin to emerge.

Transport for the North is starting work on a business case for the next phase of devolved

powers, reflecting the original aspiration for the North to assume full control of the process by the next franchising period, and will be feeding in to the Williams Review.

In addition, the Rail North Partnership Joint Review recommends that the following are considered by the Williams Review:

6. Whether, and how, a more effective 'guiding mind' for rail services in the North that considers system-wide risks and issues can be put in place, and the extent to which devolved bodies could have a greater role in this.
7. Whether and how there can be a more explicit, integrated focus on the North by Network Rail together with greater accountability to TfN as part of this.
8. Whether and how future rail services can be integrated across track and train (including how Network Rail and others will strengthen alignment between future service delivery and infrastructure availability) and aligned with the North's aspirations, as set out in Strategic Transport Plan produced by Transport for the North.
9. Whether and how further devolution of rail responsibilities to the North will operate within any emerging overall rail industry structure.

## **Short-term actions to make a real difference to passengers**

The short-term recommendations are designed to help to avoid a repeat of the chaos and put passengers' interests at the heart of decision making. They have been reviewed from the perspective of both passengers and elected members to help test how the proposals address the issues and meet the objectives of the review.

### **From the passengers' perspective**

In the short term, the proposed Passenger Promise will help to restore trust and ensure the impact of future industry decisions on passenger's lives is central to the decision-making process.

This means a greater voice for passengers in how the system is planned and operated, for example earlier involvement in proposals for amended timetables or new services before they have been developed in detail, as well as better information on planned changes and improved 'on the day' real time information.

The Rail North Partnership will use the development of the Passenger Promise to ensure TOCs provide more granular and more relevant information for passengers, for example information about the number of passengers left behind at stations due to short-

formations, to drive better operational planning. Central to this will be seeking a change in behaviours from all those involved in planning and delivering rail services so that existing passenger interests are put first, for example to ensure that extra carriages are allocated to the services which are currently most crowded ahead of introducing new services.

Transport Focus, through their on-going research, have a strong understanding of the needs and priorities of passengers and the new collaboration, as per the Review recommendations, will ensure that this insight is deployed more fully than previously.

(For example: following up the reasons for particular examples of poor satisfaction and developing detailed action plans).

The additional resources will help ensure that the right plans are developed in response to the research and that the existing contractual levers are used to drive the change and that these are followed through to implementation and their effectiveness monitored and reported upon.

The improved transparency and increased information (for example about how the industry is performing against agreed targets) will allow greater scrutiny and challenge of those responsible for delivering services.

Ultimately though, public trust is best restored by the rail industry delivering reliable and punctual services -day in, day out.

## From the Northern leaders' perspective

The short-term changes, including the overhauled decision-making process and agreement of an MoU will ensure that where appropriate, for key decisions impacting on passengers, their elected representatives have a much better oversight of risks and issues when making the strategic decisions (operational decisions will remain the responsibility of the industry).

- An example would be a significant proposed timetable change (like some of the amended calling patterns for local services implemented in May 2018) where there could be 'winners' and 'losers'. By re-setting the governance arrangements and delegations within the Rail North Partnership, elected members will have better information, in a more-timely manner, to advise the RNP Board and RNP team in making informed choices. In this example balancing the needs of local people affected by a change with the wider benefits to those travelling on the route.

The proposed 'Passenger Promise' will help to ensure that even where a change is allowed within the terms of existing agreements, TOCs are consulting in advance and flagging the changes to politicians at a point in time where feedback can be acted upon and changes made to the plans if necessary.

The improved flow of information will ensure that politicians can make the right informed

choices, and through new 'early warning systems' they'll be aware of impending problems.

The ORR Review identified the critical role of Network Rail in the timetable process and their part in the passenger impact of the timetable problems. It is therefore essential that Network Rail are part of any revised management arrangements.

## **Longer term actions structural changes and better economic outcomes**

The short-term actions proposed will help make a real difference to passengers and should help avoid a repeat of the 2018 failures.

However, more structural changes are set out in the questions which have been remitted through TfN to the Williams Review.

These questions, to be developed through more detailed input by TfN to the Williams Review, seek to determine how the level of service the North needs and passengers and businesses deserve, can best be delivered. For example, such ideas might include simplifying decision making and 'doing the right thing' by having an integrated railway joining up 'track' and 'train' and closely aligned to the North's strategic and economic plans. TfN's input is likely to include consideration of further devolution of responsibilities to the North so that both decision making, and accountability is located where the benefits and impacts are felt.

## Conclusion

The result of this new way of working, and the new protocols that would support it, should be a better and more transparent change process that is clearly linked to passenger benefits and impacts.

Greater local 'ownership' and visibility of the process should ensure better outcomes for both industry and passengers. The message below from Transport Focus to the TOCs applies equally to those that support and work with them.

*"It is important not only to deliver a punctual and reliable service, but also to build a stronger relationship, based on communicating openly and honestly directly with passengers.*

*"This is especially true of passengers who rely heavily on the train, such as commuters, and can be highly engaged with the service and TOCs' plans.*

*"Northern and TPE, like most TOCs, need to use all communication channels to offer value to passengers and more effectively explain the challenges they face and what they are doing to improve."*

(Transport Focus)

Taken together with other industry initiatives, these recommendations are designed to help ensure that not only can the problems of the of Summer 2018 never happen again, but the lost trust is regained and passenger interests are put back where they belong – at the heart of the railway.

This, in combination with the next phase of improvements in completed infrastructure, extra services, and over 500 new carriages over the coming year, will ensure that the railway in the North can once again play the role it needs to in supporting the North's economic ambition and making a positive impact on people's lives.

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## **Williams Rail Review: an update on progress**

Keith Williams, independent Chair of the Rail Review, provides an update at a Northern Powerhouse Partnership event.

Speech

### **Opening remarks**

Good morning everyone.

I am delighted to join you in Bradford this morning (15 July 2019).

This is a city with a proud history.

And this building has played an important part in it.

You might know that Winston Churchill spoke here twice. First in 1914 he gave a speech about Irish Unionism. And then in 1942, as Prime Minister, following the Battle of El Alamein — he gave a rousing address, right outside this building to a cheering crowd of thousands.

Urging Britons to gather up all their strength for the next stage of the War.

It ended with the crowd singing unprompted ‘For he’s a jolly good fellow.’

So admittedly I have something of a tough act to follow today.

But while I can’t promise you Churchillian standards of oratory.

And I’m not expecting you all to burst into song when I’ve finished.

I do want to talk about an issue that it is of immense importance to this country

I am here today because the outcome of my [review](#) will affect passengers everywhere, all over the network, and I want to hear what you think about your railway, both the challenges and opportunities.

The government set up the review because it recognised that the time had come for change.

The [huge disruption that followed the May 2018 timetable introduction](#) caused misery for thousands of passengers, particularly here in the north.

In the aftermath I was asked to lead this review with a brief to deliver ‘revolution’ not ‘evolution’. That’s the spirit in which I have taken the review forward.

My objective is to create an industry that is built around its customers and the communities and local businesses it serves.

It must also provide value to taxpayers, who provide a significant amount of the railways funding. Achieving that requires significant change, the scale of which is comparable in some areas to the scale of change seen at privatisation.

The circumstances that led to the review's launch — timetabling disruption, problems experienced with some major investment projects and the collapse of the Virgin Trains East Coast franchise (something that's pertinent to this region) — are all symptomatic of deeper, more fundamental issues in the railway.

The fact is that the railway in 2019 is hugely different from the railway as it was following privatisation. The sector, on the other hand, is much the same.

While we should not lose sight of the significant benefits that the privatised industry has delivered — more trains, more passengers, more investment in infrastructure, as the new ombudsman and the roll out of the DR15 compensation scheme across the network.

Today's railway is not set up to be flexible.

To lead or adapt to major change.

Or to focus the necessary to provide the sort of service that modern passengers expect, and have become used to in other sectors, like aviation.

I won't be setting out my recommendations today.

But what I will do is give a clear sense of the scale of the challenge we face to build a more nimble, responsive railway.

That embraces innovation and change.

And the comes together to focus on the customers — passengers and freight — who keep the railway in business. I will share with you the key areas where, based on what I've heard and the evidence I've seen over the past 9 months, I believe reform should be focused.

I will also set out what I think are the key ingredients of a brand-new offer for the travelling public.

The ORR has been working with the review in this and I am very grateful to Dan Brown, ORR's Director of strategy and policy, for being here today to talk through the work it has published today on enhancing compensation and accessibility.

The hard work that the ORR has put in is hugely valued and appreciated.

Hopefully, between us, we will tee-up a lively panel discussion, which I look forward too.

Before I begin I want to first mention the tragic event in south Wales a fortnight ago, which resulted in 2 deaths.

Over the last 25 years the UK railway has built a world leading safety record which the industry is quite rightly proud of. Maintaining it has been a central consideration in the development of our reforms.

However, this accident a sad reminder that we absolutely cannot take safety for granted.

I can only offer my sincere condolences to the families and friends of those affected.

### **Looking back at the listening phase**

When the review launched 10 months ago, I started the review by listening.

Myself, members of my expert challenge panel and the team have had hundreds of meetings all over the country.

We have met passengers, train operators, community groups, mayors, politicians, engineers, businesses, campaign groups, investors, trade unions, employees... the list goes on.

We have run a [2 stage call for evidence](#) which has attracted almost 700 responses. Testament to the passion and dedication that people feel towards the railway and the important role it plays in everyday lives.

We have held focus groups, consultation events and roundtables to further test our emerging ideas.

This has given us a clear and evidence-based understanding of what passengers, the industry, and communities across the UK see as the key challenges and opportunities for the railway.

For Bradford, I know that there are some large investments happening to improve journeys in this area. This includes the introduction of modern trains, upgraded signalling and station improvements, as well as the major upgrade work happening at nearby Leeds station.

But I also know the time it is taking to deliver improvements is creating frustration and means that passengers aren't always getting the quality service they deserve.

I am talking to Richard George, who looked at the northern network in detail in the wake of the timetable crisis, to understand how the review can contribute to his work to improve services across this area.

As well as listening, the review has been building its evidence base and published evidence papers on: the user experience; passenger perceptions and trust; the costs and benefits of the railway for our economy and society, including the importance of freight; comparisons between rail systems around the world; and rail's position in a future will integrated transport network, where passengers will expect to buy seamless door to door travel.

We're now in the process of narrowing down both the options for reform and our final recommendations.

### **Putting passengers at the heart of reform**

When I started the review, I promised to put passengers first.

To ensure we do not stray from that commitment, the measures we are considering all contribute to 10 fundamental, evidence based, passenger needs.

These draw heavily on work done by Transport Focus, ORR, Which?, Campaign for Better Transport and others who responded to our call for evidence.

We see 5 of these as the 'core passenger offer'.

In no particular order, these are:

Reliability and punctuality — which we know are top of passengers' priorities and crucial to re-building trust.

Safety and security.

Value for money — judged based on whether the journey experience and quality corresponds with the price of the fare.

Consistency and transparency — by providing the same high-quality experience, together with a clear and easily comprehensible ticket system.

And lastly accessibility.

A further 5 user needs go beyond the basics, but are important to maintaining high levels of satisfaction. These include:

Accountability and leadership — the travelling public want to know someone is in charge and who to contact when things go wrong.

Accurate information and communication before, during and after journeys and particularly during disruption so that they can make informed, decisions about their journey.

Passengers also want to proper compensation and redress — so claiming is easy and train companies more proactive in telling passengers when compensation is due.

Whatever recommendations I make, they must satisfy these basic passenger needs.

These are our guiding principles.

And when we are engaged in complex and technical discussions on commercial models and industry structures — keep our feet to the fire of what passengers want and deserve from the railway.

We have used them alongside the assessment criteria we published earlier in the year to formulate clear, passenger focused, recommendations.

Over the next few months we'll present these to the Secretary of State, the Chancellor and the Prime Minister, whoever that may be.

This will be followed by a government white paper.

### **Vision for the future**

I have been frank with the department for transport about the scale of change required — including a different role for DfT — to create a genuinely customer-focused industry.

It is onboard with the direction we're heading in.

The Secretary of State has, since the beginning of the review, has challenged me to deliver revolution not evolution. And DfT Permanent Secretary, Bernadette Kelly, has spoken openly of her and her department's appetite for change recognising that that the department has become too immersed in delivery.

She understands that, at the end of this review, simply tinkering at the edges will not be credible.

And the government will have to step back from the railway.

But creating greater distance from government, must also bring the railway closer to passengers.

What comes next must be anchored in the regions and communities — and nearer to the people — the railway serves.

I want to see the creation of a thoroughly modern, 21st century service provider.

A railway that is run in the public's interest, delivering for passengers, supporting local economies, embracing innovation and new business models to improve journey experience and reduce costs.

It must be open, collaborative, embrace and create opportunities — for its people, passengers, communities and businesses.

It must also sustain and enhance opportunities for our important freight industry, moving goods and materials around the country and helping to reduce congestion and pollution on the roads.

We need to change both the design and culture of the railway so it prioritises customers — passengers and freight.

And for regions like the north and cities across the country, there must be greater opportunities to influence and inform decisions about services and upgrades in your area.

This will require:

Clear leadership and purpose.

A new relationship between the public and private sectors.

A simpler and more agile structure that is responsive to changing travel and working patterns, to new technologies and business models, ensuring the sector can meet the expectations of the 21st century passenger.

And strong regulation to maintain — and wherever possible enhance — safety and protect consumers.

### **Focus for reform**

To achieve this vision, I believe reform should be focused on 5 key areas.

A new passenger offer, focused on customer service excellence and driven by performance measures to bring about genuine behavioural and cultural change.

This offer should also include initiatives to strengthen the consumer voice, improve accessibility, compensation, and passenger information. There will be more on these proposals from the ORR shortly.

Second, simplified fares and ticketing. To create a modern, customer focused railway we must tackle fares reform. The structure hasn't been substantially updated since 1995 and is holding back innovation and customer-focused improvements across the network.

I can't tell you how much change there's been to fares and ticketing in the aviation industry over that time — selling flight tickets has become a major industry in itself.

Some of the companies doing it are worth more than the airlines — innovating and collaborating, driving down costs for the industry and passengers, as well as offering passengers much more choice about how and when they travel.

Companies like Trainline are demonstrating that innovation is possible for rail. But modernising the fares and ticketing structure can unlock much more of this.

Helping to grow ridership by making better use of off-peak services and driving other improvements like the wider rollout of pay as you go.

Both passengers and the industry want to see change. It will require tough decisions, create winners and some losers. But, action is needed if we're to bring the railway into line with what the travelling public expects in the 21st century.

Next, a new industry structure, reducing fragmentation, better aligning track and train, creating clear accountability and a greater distance between government and running the day to day railway.

What has come through strongly in our call for evidence is consensus for a more rational and effective way of organising the industry. And, that organisations at heart of it — including Network Rail, the RDG, DfT, the RSSB and the ORR — are open to change.

A wide range of organisations have argued in favour of a new arm's length body or bodies to act as a 'guiding mind'.

It is an idea we're looking at closely. In principle, it could have clear merit, working to solve some of the challenges the industry faces around accountability and fragmentation.

But what would it really mean to have a new public-sector body when government is providing so much of the funding?

How could that be accommodated?

And what would be the right scope of any bodies responsibilities be?

These are interesting and difficult questions that need consideration.

Wherever we get to, I'm clear that the railway needs a structure that enhances strategic planning, including at the local level, and facilitates better engagement on specification, and delivery of regional enhancements.

Where there is local appetite and capability the new structure could also provide a clear way for regions or cities to make the case to operate and invest in the railway in future.

One thing I am not considering is giving Network Rail control over the trains, as recent reports in the media suggest.

This is no judgement on Network Rail — I've been impressed with their professionalism and the direction of their Put Passengers First initiative. But you don't create a customer focused railway by putting engineers in charge.

Fourth, a new commercial model. What's absolutely clear is that the current franchising model has had its day.

What worked in the 25 years after privatisation is now holding the sector back. It hampers collaboration, stops the railway working as a system and encourages operators to protect narrow commercial interest above passengers.

As a result, passengers experience difficulty moving between different lines and operators particularly during disruption, don't get the information they want and expect about the source delays and how to navigate round them, and are left with a lurking feeling that train companies prioritise profit over customer service.

I won't be recommending what comes next here today, but the principles are clear.

A different relationship between the public and private sector that lets train operators get on with running services in the interest of passengers.

Greater flexibility so that the sector can respond to changing travel patterns and long-term incentives for creativity and innovation.

Given the people related challenges facing the industry — from innovation, through industrial relations to diversity, leadership and skills — we are also developing a range of proposals on leadership, skills, diversity and increased engagement to help reform and involve the rail workforce over the long term.

We want to attract and retain an agile, diverse and flexible workforce.

But there are no silver bullets for the long-standing issues arising from sector fragmentation and a history of adversarial industrial relations.

We've met a lot of hardworking people and while frankly industrial relations are bad, everyone wants the same thing — a great railway.

Nevertheless, reform will take time, will, collaboration and trust.

## **Conclusion**

So, this is where we are.

Listening has told us the government, industry, the regions, passengers, politicians from across the spectrum and everyone else with a stake in the railway are united in a desire for root and branch change. So, the opportunity to deliver genuine, lasting reform here is huge.

The industry is complex and getting to our final destination may take some time, but passengers must see and feel tangible changes quickly if we are to turn around declining satisfaction and trust.

Change will need tough decisions to be taken and require collaboration and partnership working across the sector, but the prize will be big.

I look forward to discussing our emerging think in greater detail with you all and the panel over the next hours or so.

Thank you.

Published 16 July 2019



**Report to:** West Yorkshire Combined Authority

**Date:** 1 August 2019

**Subject:** **Medium term financial strategy and budget 2020/21**

**Director:** Angela Taylor, Director of Resources

**Author(s):** Jon Sheard and Angela Taylor

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	N/A

## 1. Purpose of this report

- 1.1 To provide the West Yorkshire Combined Authority with an update on the medium term financial strategy and budget planning for 2020/21.

## 2. Information

- 2.1 The Combined Authority approved the 2019/20 budget at its meeting in February 2019. The revenue budget was set in the context of the previously agreed three year financial strategy that included a commitment to reduce the transport levy by £1 million in each of the three years and to reduce the use of reserves to provide a balanced position by 2020/21 and subsequent years. The challenges of achieving this were set out in the report and a number of supporting actions were agreed.
- 2.2 The need to achieve and demonstrate efficiency and effectiveness and demonstrate value for money from the organisation's activities is core to the approach being taken. A number of savings and reductions were built into the agreed 2019/20 budget and the budget setting process for 2020/21 will again seek to demonstrate how expenditure delivers against the objectives and priorities of the Combined Authority and its partners. This information will be provided to members and partners for their scrutiny and input at different

stages of the process, in line with the approach taken last year. It is proposed that the budget working group will continue to meet to consider these matters in more detail with regular reports being provided to the Combined Authority.

- 2.3 The work is already underway and will progress over the summer / autumn building on the financial strategy approved previously. The final budget for 2020/21 will need to be approved at the Combined Authority meeting of 6 February 2020 to enable the transport levy to be set in accordance with legislative requirements.
- 2.4 As part of the approach to transparency and accountability the Combined Authority intends to undertake public engagement and consultation specifically as part of its budget setting process. The process is intended to invite views and comments on the discretionary elements of expenditure. This will also need to link with any consultation work on the public transport options that is being undertaken as part of the bus strategy work being overseen by the Transport Committee.
- 2.5 The agreed three year strategy to 2020/21 is intended to take the Combined Authority to a point where further use of reserves to balance the budget is not required, recognising that some significant savings and reductions built into the budget must be achieved to deliver this.
- 2.6 At the time of approving the budget in February the gap to close in 2020/21 was £2.952 million. Draft projections to 2021/22 increase this gap to £4.2 million, with this further increasing to £8.1 million in 2022/23. **Table 1** overleaf summarises the position. One of the significant factors affecting this position is the 'cliff edge' funding ie the loss of short term funding streams predominantly to deliver skills and business initiatives that end over the coming years. The budget is presented on a prudent basis; as this funding ends the interventions it funds also come to an end, which would mean the loss of some critical work programmes. Adding these costs back in, to ensure this work continues, takes the budget gap to the totals shown in the table.

**Table 1**  
**West Yorkshire Combined Authority -Draft Medium Term Financial Strategy**

<b>Expenditure</b>	<b>2019/20 Total £m</b>	<b>2020/21 Total £m</b>	<b>2021/22 Total £m</b>	<b>2022/23 Total £m</b>
Salary & Pay Related Costs	23.575	24.194	24.698	25.192
Indirect Employee Related Costs	0.389	0.378	0.368	0.368
Premises Related Costs	6.238	5.982	5.950	5.950
Travel, Transport & Subsistence Related Costs	0.112	0.094	0.089	0.089
Member Related Costs	0.221	0.221	0.221	0.221
Office Supplies & Services	0.511	0.542	0.512	0.512
ICT & Telephony Costs	2.614	2.458	2.350	2.350
Professional & Consultancy Fees	2.814	1.951	1.832	1.832
Marketing & PR Costs	2.078	1.136	1.140	1.140
Insurance	0.305	0.305	0.305	0.305
Operator Payments (Transport)	25.601	24.655	24.656	24.656
Concessions	56.447	55.778	55.778	55.778
Additional Pension Costs	2.302	2.282	2.266	2.266
Financing Charges	5.465	5.570	5.570	5.570
Grants	2.654	1.863	1.677	1.677
Third Party Delivery / Miscellaneous Costs	4.164	3.382	2.074	2.074
Contribution to External / Related Parties	0.325	0.324	0.333	0.333
Staff Vacancy Savings Target	(1.047)	(1.050)	(1.048)	(1.069)
<b>Total gross revenue expenditure</b>	<b>134.766</b>	<b>130.063</b>	<b>128.770</b>	<b>129.243</b>
<b>Direct cost contribution</b>				
Govt grants and awards	(10.696)	(7.782)	(6.462)	(6.462)
Bus services operator grant	(2.064)	(2.064)	(2.064)	(2.064)
Education Contribution to Transport	(6.768)	(6.768)	(6.768)	(6.768)
Bus Station - Tenant Income	(1.583)	(1.575)	(1.575)	(1.575)
Bus Station / Services Income (PPT, Depart Chgs)	(2.849)	(2.882)	(2.905)	(2.905)
Admin Recovery (Staff Secondments)	(2.406)	(2.384)	(2.391)	(2.391)
Capital recovery	(7.795)	(8.037)	(8.178)	(8.342)
Other third party income	(1.839)	(1.673)	(1.704)	(1.704)
<b>Net revenue requirement</b>	<b>98.767</b>	<b>96.900</b>	<b>96.724</b>	<b>97.033</b>
<b>Funding available</b>				
Rail Income	(0.878)	(0.439)		
LEP General Funding Income	(1.234)	(1.234)	(1.234)	(1.234)
Growing Places Fund Interest	(0.300)	(0.200)	(0.200)	(0.200)
Enterprise Zone Receipts	(1.958)	(2.126)	(2.162)	(2.162)
Transport Levy	(93.198)	(92.198)	(92.198)	(92.198)
<b>Net Expenditure Total/budget shortfall</b>	<b>1.199</b>	<b>0.703</b>	<b>0.930</b>	<b>1.239</b>
Further 'cliff edge' funding gap	0.626	2.249	3.230	6.830
<b>Revised budget shortfall</b>	<b>1.825</b>	<b>2.952</b>	<b>4.159</b>	<b>8.069</b>

- 2.7 The next phases of work, to be overseen by the budget working group, will consider the actions already taken, the assumptions underpinning the budget/MTFS and the options available to increase income, reduce expenditure and seek to balance the budget. The following paragraphs set out the key challenges, issues and changes that need to be considered in setting the 2020/21 budget and establishing a viable MTFS beyond that date. The actions required and impact on the business plan and financial strategy of the climate change emergency declaration will also need to be considered. Members are asked to consider any further matters to be considered.
- 2.8 **Bus strategy** – the Transport Committee has considered the issues around the effectiveness of expenditure on bus services in supporting mobility and approved revised policy guidelines together with a process of district level bus network reviews. The Transport Committee approved for consultation revised policy guidelines in respect of home to school services. A 20% savings target has been set for all bus service procurement over the period 2018/19 to 2020/21. To date, contract awards and amendments are delivering the necessary savings for 2019/20.
- 2.9 The recent announcements by First Group and Deutsche Bahn that are likely to result in the sale of their UK bus companies are likely to have some significant impacts on the local bus market and service provision. The current budgets do not include any provision for work on responding to these changes, including any early work on the possibility of franchising or acquiring any bus operations.
- 2.10 **Concessionary travel** – a significant part of the Combined Authority’s budget is spent on the discretionary and statutory elements of the concessionary travel scheme. The costs of the statutory English National Concessionary Travel Scheme for 2019/20 are £46 million and are calculated using a spreadsheet model prescribed by the Department for Transport. This model includes a number of factors, including bus operating costs, so in effect will change each year as inflation affects fuel and salary costs of bus operators. In order to mitigate the potential volatility of these costs arrangements with the major bus operators are in place. 2019/20 is the third and final year of the current arrangement. The assumption in the 2019/20 budget is £46 million with a small reduction forecast for 2020/21 and beyond. In the absence of any further agreements payments will be made based on actual patronage and the calculated reimbursement rate.
- 2.11 A further £9.5 million per annum is spend on discretionary concessions, predominantly for young people and enables them to travel at half fare up to the age of nineteen. This clearly supports the inclusive growth aims of the Combined Authority and discussions are taking place with bus operators to ensure that maximum benefits are derived from this expenditure. A further £650k is spent on discretionary concessions for seniors on rail and work is now being undertaken to ensure how this is best aligned with policy outcomes.
- 2.12 **Joint work with bus operators** – there are a number of areas of service provision where the Combined Authority works with the bus operators,

including the provision of travel information and the sale and administration of MCards. Work has been undertaken to ensure the relative responsibilities of the bus operators and the Combined Authority are understood and that costs are fairly apportioned between them. This has resulted in a budgeted increase in income to the Combined Authority in 2019/20 and subsequent years to reflect the current full costs of administering the MCard scheme.

- 2.13 **Transport services** – as well as the position set out above with regard to bus tendered services and concessionary travel other areas of spend have been examined within the transport services directorate. A number of savings have already been included in the 2019/20 budget with some of the plans, such as those relating to travel centre operations, delivering the full impact of savings in 2020/21. Consultation on the bus information strategy is taking place over July and August and this will inform further decisions.
- 2.14 **Rail** –Current work on supporting the rail franchise is funded from government via the rail administration grant arrangements which are under review and may result in a loss of income in future years. The Combined Authority is pressing for retention of this funding. The impact of the findings from the national rail reviews will also need to be considered, along with any changes to the franchising model that may emerge.
- 2.15 **Trade and Investment** – external funding is continually being sought to continue the Key Account Manager posts currently provided through external funding – this is dependent on annual bidding rounds and should these be unsuccessful the costs would need to be met from revenue budgets. There is a clear need to ensure post Brexit that there is sufficient resource to continue to build on the successes of recent engagements with China and India and that the team is able to respond on behalf of the region to opportunities. Again short term funding has been secured for this but its continuation is dependent on the success of further bidding.
- 2.16 **Other income streams / projects** - the Combined Authority continues to seek and be awarded further funding, much of which is short term and only confirmed on an annual basis. All of this confirmed funding has been built into the 2019/20 budget and future years where confirmed. At this point the continuation of this funding beyond the current contracts is unclear and gives rise to an immediate budget gap of up to £3 million should the Combined Authority and LEP wish to continue providing the services funded in this way. This 'cliff edge' scenario of short term funding coming to an end for business support programmes in particular continues to cause ongoing challenges in planning the delivery of these key programmes. Many of these programmes also include European funding and there is still no clarity over the shape and size of the Shared Prosperity Fund that is expected to replace these funds.
- 2.17 **Pay and pension** – the triennial pension valuation will be undertaken during 2019 and will have an impact on ongoing employer contributions from 2020/21. At this stage it has been assumed that employer contributions will remain unchanged.

- 2.18 The pay award has been agreed for 2019/20 and these costs have been included in the attached revenue budgets. During the pay negotiations it became apparent that there may be benefit in reviewing the pay structure in place at the Combined Authority. Work on this will be progressed during 2019 with the assumption that any costs arising will be managed within the overall staffing budget.
- 2.19 The agreed budget includes a savings target of £1.05 million per annum against staffing costs. This is based on savings against budget that will arise as a result of the timing gap between employees leaving and their replacements starting work, as well as the savings secured by purposefully not filling the full establishment of the policy and strategy teams.
- 2.20 **Living wage foundation accreditation** – the Combined Authority ensures no employee is paid less than the real living wage. As part of its work on social inclusion consideration will be given as to whether to pursue the full Living Wage Foundation accreditation. This would require the Combined Authority to ensure its contractors and sub-contractors all pay their employees no less than the real living wage. Further work is being undertaken to establish the potential financial costs of doing this, alongside the wider inclusive growth benefits of doing so.
- 2.21 **Commercialisation** – the Combined Authority owns a portfolio of operational property assets (including bus stations) and some land and property acquired for previous transport schemes. Opportunities are being sought to maximise commercial rents from the portfolio and to identify the longer term scope to realise any redevelopment potential. The agreed revenue budget for 2019/20 includes increased targets for tenant income at the main premises, as well as income from toilet charging which has been introduced at the larger bus stations
- 2.22 **Enterprise Zones** – the income stream from the Enterprise Zones (EZ) that accrues to the LEP and is received by the Combined Authority is one of the key income streams that has the capacity to grow. At present there is income from the business rates on some of the EZ sites in Leeds, Wakefield and Kirklees but with potential for significantly more, with business cases having been considered by Investment Committee for some of the locations. Actions to increase this income are underway, including a capital programme to remediate some of the sites to enable new business to invest and prudent forecasts will be built into the financial strategy. However it should be noted that the Growth Deal funding available to develop these sites is time-limited and must be spent by 2021 and it is unlikely that all sites can be developed in this timeframe.
- 2.23 **Capitalisation** – the level of capitalisation, ie charging eligible revenue costs to capital schemes, was estimated at £2 million from 2019/20, reflecting the growing capital programme in comparison to the revenue expenditure. Work on the size and shape of the future capital programme will assist in identifying whether there is an opportunity to further increase this capitalisation of revenue costs.

- 2.24 **Capital Programme and borrowing costs** – A significant number of new schemes have achieved decision point 2 of the assurance framework and have therefore passed the eligibility threshold for inclusion in the capital programme. Much of the current Growth Deal funding which makes up the largest element of the capital funding available concludes in March 2021 and there is yet no clarity on funding that may be available to replace it. There is an ongoing income stream beyond this date of £40 million per annum for the West Yorkshire plus York Transport Fund (WY+TF), to be supplemented by borrowing in accordance with the original City Deal agreed in 2012, but it is expected there will still be a requirement beyond 2021 for a broader capital programme that would need to be supported by significant borrowing or other yet to be identified funding streams. The continuation of the WY+TF funding is subject to the government’s gateway review process at regular intervals, the first of which is due to report in 2020. Additionally the impact of the Transforming Cities bid that has been submitted will need to be considered – it is likely that some project development work may need to be undertaken at risk ahead of any announcement about the success or not of the bid.
- 2.25 It is intended to utilise the Transport Fund reserve to support borrowing costs but once these are applied it must be noted that there will be an ongoing long term commitment to meet the costs of the borrowing. Ongoing review of the capital programme and related borrowing requirements will continue and the scale of contributions to the reserve will be reconsidered each year as part of the annual budget discussions.
- 2.26 **General reserves** - The closing position for 2018/19 was £6.8 million. The 2019/20 budget proposes a use of reserves of £1.2 million, which would leave closing general reserves at around £5.6 million which is above the minimum required of £4 million as per the current reserves policy. The next iteration of the financial strategy will consider the use of general reserves, along with other reserves such as the Transport Fund reserve. The reserves policy will also need to be reviewed for 2020/21 onwards; it is a risk based policy and, given the current uncertainties in the ownership and future of local bus companies, it would be reasonable to increase the risk of volatility relating to bus tendered services and hence the required reserves.
- 2.27 **Benchmarking** – the Combined Authority is seeking comparator information from other combined and local authorities to assist in decision making and will utilise this information in the development of the financial strategy.

### **3. Inclusive Growth Implications**

- 3.1 There are no inclusive growth implications directly arising from this report. Inclusive growth is one of the corporate objectives and as such will be considered in agreeing the business plan and priorities/services for 2020/21.

### **4. Financial Implications**

- 4.1 As set out in the report.

**5. Legal Implications**

5.1 There are no legal implications directly arising from this report.

**6. Staffing Implications**

6.1 The loss of external funding streams and the consequent ending of the programmes delivered is likely to result in staffing reductions.

**7. External Consultees**

7.1 No external consultations have been undertaken at this stage. Public consultation is planned for later in the year as well as engagement with local authority Directors of Finance.

**8. Recommendations**

8.1 That the Combined Authority consider the report and provide any further information to consider in updating the medium term financial strategy.

**9. Background Documents**

9.1 None.

**10. Appendices**

None.



**Report to:** West Yorkshire Combined Authority

**Date:** 1 August 2019

**Subject:** **Corporate planning and performance**

**Director:** Angela Taylor, Director, Corporate Services

**Author(s):** Louise Porter and Jon Sheard

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	N/A

## 1. Purpose of this report

- 1.1 To provide the West Yorkshire Combined Authority with an update on corporate performance including progress against corporate plan priorities, risk management and budget position.

## 2. Information

### Corporate Plan 2019/20

- 2.1 The 2019/20 Corporate Plan sets out the vision and objectives for the organisation and the practical steps for how these will be progressed during the year. The plan is structured around the four overarching strategic objectives of boosting productivity, enabling inclusive growth, delivering 21st Century transport and supporting clean growth.
- 2.2 A comprehensive suite of performance indicators has been developed to measure the organisation's specific contribution towards achieving the overarching Corporate Plan priorities. An assessment of progress against these indicators for the first quarter of the 2019/20 financial year has now been

undertaken and a summary of the results of this is provided in **Appendix 1** as part of the wider corporate performance snapshot.

- 2.3 Although the result for some of the key performance indicators (KPIs) are not yet available, the analysis of the quarter one results reflect a positive position. The majority of the KPIs are green, indicating objectives supporting the strategic aims and themes for the region are on track to being achieved. The quarter two position will provide further KPI results as management information and figures are reconciled and collated.

### **Corporate risk update**

- 2.4 In line with the provisions of the corporate risk management strategy, regular review of the key strategic risks affecting the organisation continues to be undertaken and the corporate risk register updated accordingly. A summary of the headline strategic risks currently contained within the corporate risk register is provided at **Appendix 1**.
- 2.5 Updates to the corporate risk register since the last meeting of the Combined Authority are summarised below:
- Risk SP1 has been **closed**. It was felt that all mitigating actions and countermeasures were now well established, and the residual risks had been adequately captured within other remaining risks.
  - Risk SD1 has been **superceded** by risk PC5. It was felt that the risk faced related more closely to the demonstration and communication of the outputs and contribution of the Combined Authority and the LEP to the Leeds City Region.
- 2.6 A Members risk workshop took place on 23<sup>rd</sup> July involving nominated members of the Combined Authority and the Governance and Audit Committee. The workshop focussed on key factors influencing the risk appetite of the organisation and following these discussions the risk appetite statement is now being considered in light of the feedback received.

### **Revenue budget position**

#### **2019/20**

- 2.7 A summary of the 2019/20 current spend to budget as at June 2019 is attached at **Appendix 2**. A RAG rating has been included to identify budgets that need further review. There are no 'red' areas of concern to report.
- 2.8 The approved annual budget included a £1.2m deficit to be funded from general reserves. Periodic forecasting is being undertaken during the year to track performance against this budgeted position.

## **Statutory accounts 2018/19**

- 2.9 There is a statutory requirement for approval of the annual accounts by 31 July each year. The 2018/19 accounts were presented on time for audit and Mazars (external auditor) reported their findings to the Governance and Audit committee on 23 July 2019. An unqualified audit opinion, without modification, was given on the financial statements and also an unqualified value for money conclusion.

### **3. Inclusive Growth Implications**

- 3.1 The 2019/20 corporate plan sets out further details regarding the organisation's approach to enabling inclusive growth.

### **4. Financial Implications**

- 4.1 The financial implications are covered in the body of the report and at the supporting appendices.

### **5. Legal Implications**

- 5.1 There are no legal implications directly arising from this report.

### **6. Staffing Implications**

- 6.1 There are no staffing implications directly arising from this report.

### **7. External Consultees**

- 7.1 No external consultations have been undertaken.

### **8. Recommendations**

- 8.1 That the Combined Authority notes and provides comment on the information on corporate performance.

### **9. Background Documents**

- 9.1 None.

### **10. Appendices**

Appendix 1 – Corporate Performance Snapshot Report  
Appendix 2 – Budget monitoring 2019/20

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**Corporate Risk**

Current Risk Appetite:	Low Risk Appetite  High Risk Appetite				
	1	2	3	4	5
Compliance and Regulation					
Operational/Service Delivery					
Financial					
Reputational/Marketing/PR					
Strategic Transformational Change					
Development and Regeneration					
People and Culture					

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**Current 'Very High' risks:**

		Probability	Impact	Mitigation summary	Movement since last report
Very High x3	Failure to secure enhanced funding and devolved powers (F1)	Possible	Highly significant	Devolution discussions continuing	No Change
	Failure to deliver Growth Deal/other capital funding programmes within timescales/ costs (SD2)	Possible	Highly significant	Significant controls in place through PMO	No Change
	Major unanticipated change in national policy resulting in failure to meet organisation/organisational objectives (SP3)	Possible	Highly significant	Ongoing dialogue with Government. Monitoring of national policy trends	No Change

**Current 'High' risks:**

		Probability	Impact	Mitigation summary	Movement since last report
	Failure to have the supporting infrastructure and processes in place to deliver against corporate priorities (SD3)	Possible	Major disruption	Transformation programme & corporate technology programme in place and addressing this	No Change
	Failure to have in place the capacity, skills and resource needed to deliver increased workload (HR1)	Possible	Major disruption	Organisational structures largely embedded. Ongoing monitoring	No Change
	Failure to deliver CA objectives and outcomes to demonstrate that CA/LEP is making a difference (SD1)	Possible	Major disruption	Continuing to embed remaining elements of change programme	Superseded
	Failure to secure sufficient and continued funding for key services (F2)	Possible	Moderate	Ongoing review of funding opportunities/bids. Budget monitoring	No Change
	Failure to deliver appropriate working arrangements with District partners (PC1)	Unlikely	Major disruption	Continuing to strengthen key partnerships	No Change
	Risk of legal proceedings/financial penalty of not being compliant with GDPR (R2)	Possible	Moderate	Information asset register/data policies continually reviewed	No Change
	Risk that national terrorism threat level is raised to 'imminent' resulting in unanticipated operational changes/costs (SP2)	Possible	Major Disruption	Continued review of national trends/ Incident management training ongoing	No Change
	Insufficient national & local investment in the inclusive industrial strategy to make the transformational change needed (SP1)	Possible	Moderate	Ongoing dialogue and proactive engagement with Government	Closed
	Risk of legal challenge as a result of not being compliant with HR, Financial, procurement and Governance Legislation (R1)	Possible	Moderate	Policies/procedures in place and subject to ongoing review	No Change
	Financial failure of a major contractor/supplier to the CA or a recipient of funding from the CA (F3)	Possible	Moderate	Contract management, regular financial checks and escalation processes	No Change
	Risk of Major incident at CA facility, accident /injury to vulnerable person(s) (SS1)	Unlikely	Highly significant	Policies/procedures/training in place and continually reviewed	No Change
	Failure to generate sufficient business rates income to support corporate revenue projections (PC2)	Possible	Major Disruption	Prudent income forecasting. Dedicated Enterprise Zone team in place	No Change
	Risk that Brexit response not sufficiently well coordinated across local partners leading to loss or duplication of service (SP4)	Possible	Moderate	Continuing dialogue with local partners & assessment of potential responses	No Change
	Significant transport disruption arises from major transport investment programmes (PC3)	Possible	Major Disruption	Creation of a travel demand management plan and close working with programme sponsors	No Change
	Business failure of transport providers (SD4)	Possible	Major Disruption	Open dialogues for early warnings	No Change
	Risk that the Employment Hub programme is not delivered as required due to reliance on third party delivery (SD5)	Possible	Major Disruption	Regular meetings with delivery partner. Evidence based payment system in place.	No Change
Failure to successfully communicate the outputs and contribution of the CA and LEP to the Leeds City Region (PC5)	Possible	Moderate	Continued development of communications strategy and effective performance measures	NEW	



		RED	significantly off track and at risk of not being achieved
		AMBER	at risk of not being fully achieved, intervention measures in place
		GREEN	considered to be completed/on track to be complete/achievable
<b>West Yorkshire Combined Authority Corporate Plan 2019/20: Q1 results (Apr - Jun 2019)</b>			
<b>Corporate Plan Commitment (We will)</b>	<b>Target</b>	<b>Q1 results and RAG status</b>	<b>Notes</b>
<i>Corporate Plan Key Performance Indicators</i>			
Invest in services and projects worth £398 million to benefit local people and the economy	£398,000,000		Awaiting detailed figures
Support 3,000+ businesses	3,000	828	Figures shown do not yet include June 2019.
Invest £105 million of Growth Deal funding in major infrastructure schemes	£105,000,000		Awaiting detailed figures
Enable 20 million passenger journeys per year	20,000,000		Awaiting detailed figures
Support 18,000 disadvantaged students	18,000	2,136	Figures shown do not include June 2019.
Complete projects to warm 750 homes and make them more energy efficient	750	88	Subject to funding bids (Warm Homes) and confirmation that existing Better Homes Framework can be utilised.
<i>Boosting productivity</i>			
Support businesses in the City Region through the Brexit process and help them to manage the opportunities and challenges it may present	Ongoing throughout 2019/20		Action plan in development and some new/adapted projects and services in place, including additional Growth Managers and changes to investment criteria.
Support 3,025 businesses in our region to grow and become more productive (with 1,035 receiving intensive support)	3,025	828 (478)	828 businesses and 478 of these are receiving intensive support. Figures as yet do not include June 2019.
Develop 5 new business support programmes to respond to the changing economy and business needs, including a scheme to support 60 firms to secure new investment	5	2	Two programmes in delivery focussed on business resilience and investment readiness, with three others in development focussed on resource efficiency, innovation and strategic business planning.
Help 350 businesses to increase their overseas export activity	350	8	Numbers are expected to be low in quarter 1 as many of our international trade initiatives have yet to take place. Once the planned international trade initiatives have taken place such as Business of Design week and Arab Health, this number will increase.
Maximise the opportunities created by Channel 4's HQ relocation by securing additional investment in the creative and digital sectors	Ongoing throughout 2019/20		#Welcome and #Grow established to support indigenous and inward-investing creative and digital firms.
Attract global investors to the region creating 1,700 jobs	1,700	410	
Continue to deliver development projects for our Enterprise Zones	Ongoing throughout 2019/20		Progress on key development sites including Gain Lane, South Kirby and Clifton
<i>Enabling inclusive growth</i>			
Embed inclusive growth principles in our business support programmes, including ensuring 75 per cent of jobs created in businesses receiving grants through our capital grants programme pay the Real Living Wage or above	75%	74%	
Develop an Inclusive Growth Strategic Framework for the City Region	By the end of 2019/20		Senior officer stakeholder group established to co-produce the Framework, currently considering final draft. Aiming to sign-off by end of 2019.
Deliver an enhanced model of employability, enterprise and careers education to disadvantaged young people	18,000	2136	Due to the exam period over May and June, there has been less delivery to young people and activity will increase in July and the autumn term.
Enable 1,000 businesses to engage with education and skills initiatives, with 800 supported to offer apprenticeships	1,000	153 (29)	The Employment Hub has had a delayed start but staff are now in place in the majority of LAs with activity underway. Demand for the Apprenticeship Grant for Employers (a top-up to mainstream apprenticeship funding) remains significantly lower than in previous years. Training providers are reporting a lack of funding to support apprenticeships for new non-levy paying businesses (SMEs). We are investigating this issue and the grant remains under review.
Connect 5,277 homes and businesses in our City Region to super-fast broadband	5,277	1698	1698 is the Total Homes Passed (THP), that is the number of premises, both residential and business, that can achieve a superfast broadband at superfast speed and ready for service.
Provide accessible transport services for 5,000 people with personalised transport needs	5,000		Awaiting detailed figures
Enable 40,000 young people to travel from home to school by coordinating services on behalf of our partner councils, with an investment of £3 million a year	40,000		Awaiting detailed figures
<i>Delivering 21st Century transport</i>			
Invest £60 million from our Growth Deal in improvements to bus, road and rail travel	£60,000,000		Awaiting detailed figures
Continue developing the bus alliance with operators to deliver better and affordable services for passengers	100%	100%	Transport Committee endorsed the establishment of the West Yorkshire Bus Alliance as a voluntary partnership.
Develop plans to build new railway stations at Elland, Leeds Bradford Airport, White Rose and Thorpe Park, working closely with our partners and local communities	100%		Development work in progress
Complete major new road schemes to reduce congestion on key commuter routes, including the Glasshoughton Southern Link Road and York Outer Ring Road	100%		Work on these schemes currently in progress
Continue to influence regional and national transport investment programmes, attracting more investment to our region	Ongoing throughout 2019/20		Ambitious bids submitted to the Transforming Cities Fund and on Future Mobility
Continue to develop our transport services by increasing digital payment options and information displays to make services easier and more convenient for people to use	Ongoing throughout 2019/20		Delivery of Digital Strategy commenced and Information Strategy currently in consultation
Increase sales of MCard by 5 per cent, resulting in over £34 million worth of MCards being purchased over the year	£34,000,000		Awaiting detailed figures
<i>Supporting clean growth</i>			
Enable 750 households to be warmer, save money and become more energy efficient through our Better Homes Yorkshire programme	750		Subject to funding bids (Warm Homes) and confirmation that existing Better Homes Framework can be utilised.
Continue the delivery of seven flood prevention schemes to reduce the risk of flooding and protect communities and businesses supported by our Growth Deal	7		Awaiting detailed figures
Provide sustainable travel advice to businesses, recruiting an additional 96 employer members to our Travel Plan Network	96	15	on track
Support a further 88 businesses to save money on their energy bills and use less water and waste through resource efficiency funding and advice	88	36	on track
Contribute to cleaner air by installing 88 ultra-low emission vehicle (ULEV) charging points for taxis with a goal of making 5.1 per cent of our region's taxis ULEV by 2020	88 ULEV charging points for taxis and making 5.1 per cent of our region's taxis ULEV by 2020		Awaiting detailed figures
Set out how we will work with our partners to achieve ambitious carbon reduction targets for the Leeds City Region, to become a net zero carbon city region by 2038 at the latest, with significant progress by 2030	Ongoing throughout 2019/20		During Q1 established science-based targets, with planning for extensive stakeholder engagement. Culminated in a series of industry workshops, the creation of the Climate Coalition and the setting of the target in early-July
Begin detailed feasibility work on 10 projects within the new Energy Strategy and Delivery Plan that will enable us to meet our region's energy needs and generate clean, low carbon energy	10	-	REF2 application submitted & Clean Growth audit commissioned

<b>West Yorkshire Combined Authority - Summary</b>	(A)	(B)	(B) / (A)		25%
Title	Budget 2019/20 £	June 2019 Actual £	%		RAG
<b>Expenditure</b>					
Salary & Pay Related Costs	23,574,623	5,130,428	21.8%	Reflects above average staff vacancies during the year	
Indirect Employee Related Costs	1,057,905	155,048	14.7%	Spend in line with expectations	
Premises Related Costs	6,245,146	1,696,118	27.2%	Spend in line with expectations - rents, rates paid in advance, utilities in arrears	
Travel, Transport & Subsistence Related Costs	121,662	36,373	29.9%	Spend slightly ahead of expectations though only a small budget	
Member Related Costs	153,168	51,919	33.9%	Spend slightly ahead of expectations though only a small budget	
Office Supplies & Services	516,250	47,622	9.2%	Spend in line with expectations - payments in arrears	
ICT & Telephony Costs	2,614,132	636,501	24.3%	Spend in line with expectations	
Professional & Consultancy Fees	2,301,970	261,951	11.4%	Spend in line with expectations	
Corporate Subscriptions	32,483	16,193	49.9%	Spend in line with expectations - corporate memberships paid in advance	
Marketing & PR Costs	2,079,896	170,103	8.2%	Spend in line with expectations - payments in arrears	
Insurance	304,900	299,322	98.2%	Spend in line with expectations - premiums paid annually	
Operator Payments (Transport)	25,601,325	6,427,415	25.1%	Spend slightly ahead of expectations - plans in place to address before year end	
Pre Paid Ticket Cost	34,125,000	8,180,683	24.0%	Cost matched by income (see below) ##	
Concessions	56,446,802	13,517,134	23.9%	Spend in line with expectations	
Additional Pension Costs	2,301,600	1,495,548	65.0%	Spend in line with expectations - impact of one annual payment £1.3m paid in advance	
Financing Charges	5,465,000	493,886	9.0%	Spend in line with expectations - charges accrued at the year end	
Grants	1,465,142	126,666	8.6%	Low spend below expectations - due to timing of payments	
Other Miscellaneous Costs	5,040,994	578,074	11.5%	Spend in line with expectations	
Contribution to External / Related Parties	292,261	81,885	28.0%	Spend in line with expectations - further spend expected in quarter three	
Additional Savings Target	(1,046,619)	0	0.0%	Staff budget saving target - to offset against savings in salary budget above.	
<b>Total Expenditure</b>	<b>168,693,640</b>	<b>39,402,869</b>	<b>23.4%</b>		
<b>Income</b>					
Rail Admin Grant	(878,000)	(878,000)	100.0%	Received in advance for full year	
LEP General Funding Income	(734,000)	(50,000)	6.8%	Received in arrears and towards year end	
Growing Places Fund Interest	(300,000)	(57,603)	19.2%	Received in arrears	
Enterprise Zone Receipts	(1,958,320)	0	0.0%	Previously received in arrears - discussions with partners to pay in advance	
Transport Levy	(93,198,000)	(27,959,591)	30.0%	10 instalments -three received to date	
Bus Service Operator Grant (BSOG)	(2,063,592)	(2,063,592)	100.0%	Received in full at the start of the year	
Education Contribution to Transport	(6,768,000)	(1,723,737)	25.5%		
Bus Station Tenant Income	(1,583,085)	(517,115)	32.7%	Some receipts in advance / others in arrears. Overall on budget.	
Bus Station / Services - Other Income	(2,881,917)	(404,139)	14.0%	Received in arrears	
Admin Recharges	(2,459,900)	(697,969)	28.4%		
Capitalisation of Revenue Costs	(7,740,378)	(1,498,052)	19.4%		
Pre Paid Ticket Income	(34,125,000)	(8,180,683)	24.0%	Income matches expenditure (see above) ##	
Other Income	(12,804,799)	(1,148,807)	9.0%	Received in arrears - being reviewed with budget holders.	
<b>Total Income</b>	<b>(167,494,991)</b>	<b>(45,179,288)</b>	<b>27.0%</b>		
<b>Net Expenditure</b>	<b>1,198,649</b>	<b>(5,776,419)</b>	<b>-481.9%</b>		

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**Report to:** West Yorkshire Combined Authority

**Date:** 1 August 2019

**Subject:** **Minutes and Notes for Information**

**Director:** Angela Taylor, Director of Corporate Services

**Author(s):** Ruth Chaplin

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

## 1. Purpose of this report

- 1.1 To provide Members with details of the minutes of committees and panels that have been published on the West Yorkshire Combined Authority's website since the last meeting.

## 2. Information

- 2.1 The following minutes have been published on the West Yorkshire Combined Authority's website and can be accessed [here](#):

- Overview & Scrutiny Committee held on 24 May 2019 (Notes of inquorate meeting)
- Employment & Skills Panel held on 30 May 2019 (Draft)
- Notes of the Richard George Briefing held on 25 June 2019
- Investment Committee held on 11 July 2019 (Draft)

## 3. Inclusive Growth Implications

- 3.1 There are no inclusive growth implications directly arising from this report.

**4. Financial Implications**

4.1 There are no financial implications directly arising from this report.

**5. Legal Implications**

5.1 There are no legal implications directly arising from this report.

**6. Staffing Implications**

6.1 There are no staffing implications directly arising from this report.

**7. External Consultees**

7.1 No external consultations have been undertaken.

**8. Recommendations**

8.1 That the minutes of the Combined Authority's committees and panels be noted.

**9. Background Documents**

There are no background documents referenced in this report.

**10. Appendices**

None.