
Report to: West Yorkshire and York Investment Committee

Date: 6 February 2019

Subject: Capital Programme Update

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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 update the Committee on progress made on the implementation of the West Yorkshire Combined Authority's capital programme and the report provides an update on the annual review of the Growth Deal.
- 1.2 The report also provides an update on the progress made on the West Yorkshire Broadband Programme.

2. Information

Capital Programme

- 2.1 The revised capital programme, reported to the Investment Committee on 9 January 2019 will be considered by the Combined Authority at its meeting on 14 February 2019. Table 1 provides the latest outturn budget for each programme and actual spend figures as reported at quarter 2. Figures will be updated at the March 2019 Investment Committee once quarter 3 monitoring information has been finalised.

Table 1

Capital Programme	2018/19 Outturn Forecast	Actual Expenditure Quarter 2 2018/19
Growth Deal (including West Yorkshire Transport Fund)	£102,080,000	£25,237,483
Leeds Public Transport Investment Programme	£10,115,000	£2,685,238
Local Transport Plan Integrated Transport Block and National Productivity Investment Fund	£8,081,000	£3,618,076
Highways Maintenance Block and Highways Incentive Fund	£28,442,000	£13,915,000
Pothole Action Fund / Highways / Flood Resilience	£9,267,000	£2,095,000
Cycle City Ambition Grant	£8,500,000	£1,740,000
West Yorkshire Cycling and Walking Fund	£1,304,000	£271,118
Cycle Safety Grant	£470,000	£0
CCAG Top Up	£210,000	£0
Steeton and Silsden Active Travel Access	£0	£0
Clean Vehicle Technology Fund	£1,368,000	£73,930
Ultra Low Emissions Vehicles	£978,000	£14,978
West Yorkshire Broadband	£5,769,000	£2,084,817
Growing Places Fund	£1,350,000	£1,000,000
One Public Estates	£1,070,000	£0
Warm Homes	£1,369,000	£172,070
Corporate Projects - Accommodation	£335,000	£70,531
Corporate Projects - Technology Strategy	£1,570,000	£0
Total	£182,278,000	£52,978,241

Growth Deal

Growth Deal Annual Conversation

- 2.2 The Growth Deal Annual Conversation took place on 13 December 2018. This involved a full review of the progress of the programme. All Local Enterprise Partnerships are assessed against set criteria which cover governance, delivery and strategy. A formal response from Government is expected in February 2019.
- 2.3 A key issue for discussion at the Annual Conversation related to the likelihood of achieving the required expenditure target of £102.08 million. Spend on the programme is currently monitored by Government under two categories:
- Expenditure – This is the total Local Growth Fund (LGF) monies spent by project sponsors on their projects.
 - Outturn - The total LGF funds transferred to project sponsors by the Combined Authority (this specifically includes pre-payments to project

sponsors where projects are in contract and / or eligible expenditure falls across two financial years)

In previous years Government has assessed achievement of target spend based on outturn. The monitoring returns which are submitted to Government (the data capture sheets) record both out-turn and expenditure figures and it has been confirmed that LEP's will be assessed based on the expenditure figure. At the end of 2017/18 the Leeds City Region had made total pre-payments of £18 million, these prepayments will become expenditure in 2018/19. As a consequence of this the actual declared expenditure in the returns to Government will be in the region of £18 million higher than the Growth Deal dashboard which is currently predicting spend of just over £90 million.

- 2.4 There are however specific project risks in relation to achievement of the £90 million which will need to be closely monitored in the final quarter. The main area of risk relates to the Transport Fund. Work is ongoing with partner councils / project sponsors to ensure accurate forecasts are in place and projects can be accelerated where possible.
- 2.5 Advanced payments are being explored for 2018/19 against the following schemes that are/ will be in contract by year end:

Table 2

District	Project Name	Amount of Prepayment
Calderdale	Halifax, Beech Hill	£380,821
Calderdale	A629 Phase 1b - Elland Wood Bottom to Jubilee Road	£2,000,000
Leeds	Leeds ELOR and North Leeds Outer Ring Road	£4,100,000
Wakefield	Glasshoughton Southern Link Road	£4,600,000
York	York Outer Ring Road Phase 2	£2,400,000
Total		£13,480,821

West Yorkshire and York Broadband Programme

- 2.6 The City Region's **Strategic Economic Plan** (SEP) has laid out an ambition to achieve 99% superfast broadband connectivity across West Yorkshire and York by 2018/19. The West Yorkshire and York Broadband programme commenced in 2013 and is overseen by a partnership agreement between the West Yorkshire and York councils and the Combined Authority. The programme is well on the way to meeting this ambition. With Contract 1 completed and with Contract 2 in progress, the programme is on track to deliver up to 98% access to superfast broadband by end June 2021. A further Contract 3 to address some of the remaining most difficult to reach urban, semi-urban and/or rural properties, is currently in procurement to secure the use of a broadband infrastructure supplier. The target for Contract 3 is to take coverage up to and over 99%.

- 2.7 In 2018 the **West Yorkshire and York (WY&Y) Broadband Contract 2**, following some delays in the delivery of the programme it has now turned a corner and the build is accelerating with a target to be back on track by end March 2019. The performance in 2018 was affected by the supplier Openreach's chief sub-contractor, Carillion, going out of business, and by a national lack of fibre engineering skills.
- 2.8 To address these issues Openreach has now brought in experienced fibre teams from other projects and has bolstered its WY&Y team with additional managers and data engineers. The WY&Y Broadband Partnership has received confirmation from Openreach that the new teams will remain with WY&Y and not be reallocated elsewhere once the programme is back on track.
- 2.9 The **West Yorkshire and York Broadband Contract 3** European procurement is underway. The invitation to tender has been approved by the Combined Authority procurement team and has passed the Broadband Delivery UK (BDUK) / Department of Culture, Media and Sport (DCMS) Checkpoint B2. The tender was advertised on 21 December 2018 and expressions of interest were due from fibre infrastructure suppliers by 17 January 2019 with a deadline for full responses by 14 March 2019. Applications for funding for the programme have been submitted for European Regional Development Fund (ERDF) and Department for Food, Energy and Rural Affairs (DEFRA) decisions on this funding are awaited.

3. Financial Implications

- 3.1 Financial implications are set out within the report.

4. Legal Implications

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

5. Staffing Implications

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

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 It is recommended that the Investment Committee notes the progress made in implementing the Combined Authority Capital Programme.
- 7.2 It is recommended that the Investment Committee support the prepayment of grant through the Growth Deal programme detailed in paragraph 2.5.

8. Background Documents

None.

9. Appendices

None.