

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

**Date:** 13 May 2020

**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 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 update the Committee on progress made on the implementation of the West Yorkshire Combined Authority's capital programme.

## 2 Information

### **Impact of Covid-19 pandemic on delivery of projects**

- 2.1 This is an unprecedented time and the Combined Authority, and our staff, consultants, contractors and suppliers are all having to adapt to new ways of working. Currently the impact that this has had on our programmes and projects is a mixed picture. So far there has been notification that four projects which were on site have been halted. The main impact is on projects that were due to start on site either in March 2020 or in the first quarter of 2020/21, all of these are currently being delayed by a minimum of three months. Projects in development are progressing but delays due to a variety of factors are already beginning to impact on the assurance process timetables.
- 2.2 We have set up a tracker which looks to record impacts to each programme and project to try and understand the impact of coronavirus, which the Combined Authority and partners are regularly updating. Issues include:

- Working from Home: The Combined Authority, partners and consultants have in the main closed their offices and the majority of staff are now working from home. Staff at the Combined Authority able to access our ICT systems fully and our broadband connection capacity has been increased to cope with the additional traffic of staff being at home and to date all is working well and efficiently and productivity has not suffered. There are some difficulties being reported from partners but none from consultants; this is being monitored.
- Contractors and suppliers: To date the majority of works that are on site are continuing as normal. However:
  - The advice / instruction from Government may change.
  - Availability of materials is becoming an issue, including the closure of quarries. We have had a few reports of delays in the supply chain.
  - A number of projects are due to start on site. Discussions are currently being held to decide whether they should be postponed.
  - A number of projects are currently being tendered and there are reports of contractors not willing to tender in the current climate.
- Consultation: Many projects are dependent upon consultation with the public. Although online methods are utilised it is common practice to hold public meetings to ensure transparency and equality. These cannot take place at present and therefore projects may be delayed until this consultation can take place.
- Decision making:
  - Regulations have now come into force to enable virtual meetings to be held and to enable greater flexibility as to the timings of such meetings. The Authority's calendar of meetings for the next municipal year is currently under review and will have regard to this flexibility.
  - Partner Executive Boards / Cabinets have been still taking place with decisions being made through existing delegations in advance of the introduction of the Regulations for virtual meetings.
  - Recent planning committees have been cancelled and/or postponed during the pandemic which may result in delays for projects, although the ability to hold virtual meetings going forward once implemented should mitigate such delays.
- Surveys: There are reports of these being delayed, which may in turn delay projects.
- Resilience of partner infrastructure: e.g. some partners have been experiencing significant IT disruption across the board and operating a rota system in terms of access to emails and network files which is likely to cause delays to projects.

- 2.3 The effect on the level of expenditure on funding programmes for the financial year 2019/20 will be minimal. However, it is very likely that spend for this financial year (2020/21) will be lower than was originally expected. To that end, BEIS and DfT have been contacted to seek their support in helping us respond to the challenges posed by COVID-19 with regards extending reporting deadlines and managing possible delays to the programme. A holding response was received which stated that similar concerns had been raised by other LEP's and that a programme response is being considered. It also stated that work is being undertaken to consider the next steps for the Local Growth Fund 2021/22.
- 2.4 Confirmation has been received that the Government deadline for the quarter 4 Growth Deal monitoring return, which was due on 22 May 2020, has been put back and that the monitoring information can now be submitted with the quarter 1 2020/21 return (due to be submitted 21 August 2020). This is particularly helpful as there is concern that due to issues around working from home some partner councils will be unable to submit quarter 4 claims in accordance with set deadlines which will delay the collation and analysis of monitoring information. Having said the expenditure position on all programmes must be finalised in order to be included within the Combined Authorities financial accounts for the end of May 2020.
- 2.5 On a positive note, the Combined Authority and partners are exploring opportunities to bring forward specific works on site whilst traffic volumes are low.
- 2.6 The impact on other projects and programmes are considered later in this report.
- 2.7 The Combined Authority and partners are currently looking at how projects can aid the economic recovery once Covid-19 restrictions are eased.

### **Integrated Clean Growth**

- 2.8 Through the Assurance Framework and other internal decision-making procedures, the Combined Authority will review and embed clean growth considerations into our activities.
- 2.9 Building on the recent work to strengthen how clean growth and climate change impacts are considered as part of all new schemes that come through the Combined Authority's Assurance Framework (Decision point 1 and 2), the Combined Authority are now in the process of procuring expert advice to frame and develop a robust quantifiable methodology for assessing all new scheme's predicted carbon emissions / wider clean growth impacts. This will include a review of existing Combined Authority schemes and additional resource to support the development and implementation of the new assessments.

- 2.10 The development of the specification for the work (which has benefitted from active engagement and input from Leeds City Region local authorities) will allow the Combined Authority to map and detail the emissions footprint of the 180+ projects in the West Yorkshire Plus Transport Fund and Leeds City Region Local Growth Fund pipeline and provide technical advice and training support to project sponsors in the design and development of future investments. This will ensure that the business cases for these reflect the Leeds City Region Climate Emergency and that we can evidence that they will reduce carbon emissions (both directly and indirectly).
- 2.11 A tender has now been issued to the market with the intention of appointing a successful consultant (or consortium) in spring / summer 2020. It should be noted that Leeds City Region local authority officers will be involved in the evaluation of tender responses working alongside Combined Authority officers. It is anticipated this technical work will commence in July. Training and support elements will run throughout the year across a longer timeline.
- 2.12 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports.

### **Capital Programme**

- 2.13 Table 1 below sets out the latest outturn forecast and actual spend at quarter 3 2019/20. The quarter four grant claims are currently being finalised. The full performance for 2019/20 will be reported to the Investment Committee in June 2020.

Table 1

<b>Capital Programme</b>	<b>Revised Forecast 2019/20</b>	<b>Actual at Quarter 3 2019/20</b>	<b>%</b>	<b>Year End Forecast 2019/20</b>	<b>%</b>
Growth Deal (including West Yorkshire Transport Fund)	£105,430,000	£31,466,000	29.8%	£81,558,000	77.4%
Leeds Public Transport Investment Programme	£59,954,000	£26,021,852	43.4%	£40,751,719	68.0%
Local Transport Plan	£12,752,000	£5,376,110	42.2%	£12,752,000	100.0%
Highways Maintenance (including Pot Hole funding)	£30,989,000	£27,202,049	87.8%	£30,989,000	100.0%
Other Transport Funding	£10,841,000	£3,422,558	31.6%	£8,129,894	75.0%
Economic Development Miscellaneous	£1,615,000	£454,562	28.1%	£647,417	40.1%
Corporate Projects	£6,041,649	£1,608,615	26.6%	£2,253,300	37.3%
<b>Total</b>	<b>£227,622,649</b>	<b>£95,551,745</b>	<b>42.0%</b>	<b>£177,081,330</b>	<b>77.8%</b>

- 2.14 As well as an update on the Growth Deal Performance Review this report focuses on the progress made in the delivery of a number of operational programmes which deliver interventions across the Leeds City Region. The programmes featured are: CityConnect (Cycling and Walking), Clean Bus Technology Fund, Corridor Improvement Programme, Ultra Low Emission Vehicles, Warm Homes, Broadband and the Energy Accelerator.

## Growth Deal

- 2.15 The results of the Growth Deal Annual Performance Review which took place in January 2020 were formally notified by the Cities and Local Growth Unit on 3 April 2020. The outcome for the three themes is:

Governance: Exceptional

Delivery: Good

Strategic Impact: Requirement met

- 2.16 The result of the Independent Review of the Transport Fund 2019 undertaken by SQW was expected in March 2020 has been delayed.
- 2.17 Whilst the quarter 4 claims are still being analysed it is expected that expenditure on the Growth Deal programme will be around £78 million. Whilst this is lower than the £105 million target it is in line with the expectations from spend forecasts from quarters 2 and 3.

## CityConnect

- 2.18 The City Connect programme was developed in response to the strong desire for greater participation in cycling across the region. Two successful bids to the Department for Transport (DfT) for Cycle City Ambition Grant Fund (CCAG), secured £40 million for investment in high quality cycling and walking infrastructure across West Yorkshire and York. Further applications for funding through DfT's Cycling and Walking Grant, Cycle Safety Fund, Cycling and Walking to Work Fund as well as an allocation from the Local Transport Plan (LTP) Integrated Transport Block funding increased the available budget to just over £59 million. Indicative approval was given in June 2018 for a further £14 million extension to the programme (Phase 3) to deliver eight projects to be funded from the West Yorkshire plus Transport Fund and residual CCAG budget.
- 2.19 The full programme is branded as CityConnect and is being delivered in three phases:
- **Phase 1 (complete):** Leeds Bradford Cycle Superhighway – a 23km mostly segregated cycle route; implementation of 20mph zones along the Cycle Superhighway corridor; Leeds Liverpool Canal Towpath – towpath surface improvements between Kirkstall (Leeds) and Shipley.
  - **Phase 2 (majority complete):** Introduction of on-highway segregated cycle routes in Leeds City Centre and Canal Road in Bradford along with improvements to stretches of four canal towpaths Airedale (Leeds Liverpool); Calder Hebble; Huddersfield Narrow Canal; Rochdale Canal Phases 1 and 2 and; significant surface upgrades to Castleford to Wakefield Greenway Phases 2 and 3 and installation of a new bridge over the Hallam railway line west of Castleford; installation of a replacement shared-use bridge at Scarborough Bridge, York.

- **Phase 3 (in development):** On-highway improvements in Leeds at Claypit Lane, Dewsbury Road, Elland Road; Huddersfield Town Centre (Cross Church Street); surface upgrade to Castleford to Wakefield Greenway Phase 4; improvements to canal towpaths: Leeds Liverpool Canal (Shipley); Huddersfield Narrow Canal (Phase 2); and Brighouse to Bradley (Cooper Bridge).
- 2.20 The programme includes comprehensive pre and post-scheme monitoring of pedestrian and cyclist levels for benefits realisation including user surveys, significant consultation, engagement and behaviour change programme to support new/improved infrastructure including work with local schools and businesses. It also involves dedicated walking activity including work with community groups, schools and businesses.
- 2.21 A significant success of the CityConnect programme has been to widen and increase support for cycling and walking schemes, politically and publicly. The team deliver a comprehensive programme of engagement and other behaviour change activity which supports the CityConnect programme to achieve the programme objectives. Examples of this include:
- 'CityConnect @ 5' campaign celebrating the successes of 5 years of CityConnect (promotional video can be found at <https://www.cyclecityconnect.co.uk/cityconnect-at-five>).
  - Through our business engagement initiative, organisations that have taken part have seen an increase of 20% of staff cycling to work.
  - Worked with 42 schools, at which 50% of children who have received cycle training have learnt to ride for the first time.
  - Through our Cycle 4 Health programme, the health referral programme we have developed with Cycling UK, over 1000 people have received intensive cycle training, to help them overcome physical and mental health issues.
- 2.22 The programme is delivering within overall budget and time tolerances, although there has been a delay to the completion of the Rochdale Canal Phase 2 scheme as it suffered damage during the February 2020 storms during its construction. Further delays are now being experienced due to the Covid-19 situation; these will be assessed as part of the review of all capital projects.
- 2.23 Phase 3 schemes are currently progressing through the assurance process:
- Castleford Wakefield Ph 4 – full business case plus submitted
  - Leeds Schemes – full business case submitted
  - Bradley to Brighouse – outline business case approved, full business case in development
  - Huddersfield Town Centre – outline business case submitted

- Canals – outline business case in development

2.24 The York Scarborough Bridge scheme was awarded an Institution of Civil Engineers (ICE) Certificate of Excellence at the ICE Yorkshire & Humber Civil Engineering Awards in March 2020.

### **Clean Bus Technology Fund**

2.25 The Clean Bus Technology Fund project will provide a total of £8.036 million of capital funding to bus operators to support the retrofit of Clean Vehicles Retrofit Accreditation Scheme (CVRAS) technology on 479 older, more polluting vehicles. This will improve their tailpipe emissions up to the latest Euro 6 emissions standards (a set of European limits for harmful exhaust emissions on any petrol or diesel engine which have been in place for new cars since September 2015) or better.

2.26 The funding for this project was in two phases: an original funding allocation provided (£5.06 million), with further funding granted (£2.976 million) to extend the project and retrofit more vehicles.

2.27 The funding sources for this project are:

- Original funding - grant funds from DEFRA (£2.84 million) contribution from Leeds City Council originally granted to them from DEFRA (£1.37 million) and a contribution from Leeds Public Transport Investment Programme (£850,000).
- Additional funding – grant funds from DEFRA (£2.976 million)

2.28 The split between the original funding allocation and additional funding allocation is as follows:

<b>Original funding</b>	<b>Additional funding</b>
First West Yorkshire: 180 vehicles All retrofits completed	First West Yorkshire: 63 vehicles All orders placed and retrofits were scheduled but are now subject to delay due to Covid-19 issues
Arriva Yorkshire: 49 vehicles All retrofits completed	Arriva Yorkshire: 85 vehicles All orders placed and retrofits were scheduled but are now subject to delay due to Covid-19 issues
Transdev Blazefield: 50 vehicles All orders placed and retrofits were scheduled but are now subject to delay due to Covid-19 issues	Yorkshire Tiger: 18 vehicles All orders placed and retrofits were scheduled but are now subject to delay due to Covid-19 issues
Squarepeg: 17 vehicles	

All orders placed and retrofits were scheduled but are now subject to delay due to Covid-19 issues	
CT Plus: 17 vehicles All orders placed and retrofits were scheduled but are now subject to delay due to Covid-19 issues	

- 2.29 In the original round of funding vehicles were categorised by whether the service enters a priority location (Leeds Clean Air Zone top priority), the additional funding was allocated using the same form of competition as previously, but to initially prioritise Bradford services due to the district's requirement to tackle its Nitrogen Oxide (NOx) emissions.
- 262 vehicle retrofits for vehicles operating within proposed Leeds Clean Air Zone
  - 217 vehicle retrofits across West Yorkshire area and air management zones
- 2.30 The original project end date was March 2020 (for all orders to be placed). DEFRA have however allowed flexibility to this date for where operators have placed orders and also with regards to the treatment of any potential underspend, on the condition this be reallocated to unfunded vehicles that met the funding criteria, allowing further retrofits and all grant funding to be spent.
- 2.31 The project was on track with all orders placed and schedules for retrofit confirmed. This has been impacted by Covid-19, operators are continuing with orders if the supplier is still able to fulfil these / has not ceased works due to the situation. However, some suppliers have suspended orders. Alongside this, bus operators are responding to other immediate priorities around their service provision.
- 2.32 DEFRA have confirmed their flexibility and understanding of the current situation, and that delivery will be impacted and take place at a later date as and when restrictions are lifted.

### **Corridor Improvement Programme**

- 2.33 The Corridor Improvement Programme (CIP) is part of the West Yorkshire Plus Transport Fund and aims to tackle the connectivity and climate challenges the City Region faces, which are constraining growth associated with new housing and employment sites in the Spatial Priority areas. CIP is a £125 million programme which is being delivered in 2 phases, phase 1 comprising of £77 million funding and phase 2 comprising of £48 million in funding.

#### **Phase 1**

2.34 Phase 1 is an existing programme of £77 million of low and medium cost highway interventions on strategic highway corridors on the Key Route Network (KRN) across all districts. There are eleven corridor projects being worked up through the Assurance Framework, with ten of the schemes currently working on their final business cases and one scheme working on its outline business case.

District	Corridor Name	Objective	Current Stage being worked on
Bradford	Great Horton Road/ Horton Grange  To improve a key junction and surrounding highways infrastructure in West Bradford for all modes at this key location on the outer ring road	Congestion reduction  Improved air quality  Safety	FBC
Bradford	Thornton Road/ Toller Lane  Highways improvements at two key junctions in West Bradford including approaches for all modes	Journey time reliability  Congestion reduction  Improved air quality	FBC
Calderdale	A58 - A672  A package of transport schemes focused on highways improvements for all modes between Halifax and Sowerby Bridge, Ripponden and Rishworth	Journey time reliability  Congestion reduction  Improved air quality	FBC
Calderdale	A646 - A6033  A package of transport schemes focused on highways improvements for all modes between Halifax, Todmorden and Rochdale.	Journey time reliability  Congestion reduction  Improved air quality	FBC
Kirklees	A62 smart corridor  Various highways improvements to	Journey time reliability	FBC

	benefit all users including on road cycle provision between the junction of the Ring Road to Old Fieldhouse land on the 2km section of the A62	Congestion reduction Improved air quality	
Kirklees	Huddersfield Southern Corridor  A package of transport measures to address congestion on the southern side of Huddersfield	Journey time reliability  Congestion reduction Improved air quality	FBC
Kirklees	Holmfirth Town Centre  Improved traffic light control, pedestrian crossing facilities and urban realm improvements	Journey time reliability  Congestion reduction Improved air quality Urban realm	OBC
Leeds	Fink Hill  Fink Hill is a key junction on the A6120 Ring Road to the north west of Leeds and improve pedestrian crossing facilities and cycle routes.	Congestion reduction Improved air quality Safety	FBC
Leeds	Dyneley Arms Highways improvement at a key junction on the A660 and A658 between Leeds, Bradford and Harrogate to also improve cycling and pedestrian facilities.	Congestion reduction Improved air quality Safety	FBC
Leeds	Dawson's Corner Highways improvement on a key junction on the ring road between Leeds and Bradford	Journey time reliability  Congestion reduction Improved air quality	FBC

Wakefield	A650 Newton Bar Highways improvement at a key roundabout/ junction in North Wakefield to improve facilities for all modes.	Journey time reliability Congestion reduction Improved air quality	FBC
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2.35 The majority of schemes will start in 2020/21. They will reduce congestion and in turn reduce delays and carbon emissions and develop walking and cycling and Green (trees, hedgerows grass etc) and Blue (waterways, ponds, wetlands etc) infrastructure solutions.

## **Phase 2**

2.36 In light of the declaration of the climate emergency by the partner councils and the Combined Authority, the phase 2 CIP has been reviewed and the objectives updated to ensure even closer alignment with the aim to be net carbon zero by 2038.

2.37 Work is currently underway to develop the Strategic Outline Case (SOC) for the Phase 2 programme. Fifteen corridors have been identified by partner councils at this early stage of the process.

2.38 The Combined Authority will oversee the strategy, scheme identification and prioritisation process, the funding will be used for scheme development and construction with delivery expected 2021- 2025. Options workshops have been undertaken to identify long lists of schemes for the corridors, next steps include a prioritisation process to rank options and presentation of a recommended list of corridors and a medium list of schemes in Summer/ Autumn 2020 in a Strategic Outline Case (SOC). This robust process will ensure phase 2 closely aligns with the current strategic aims of the Combined Authority.

2.39 Investment Committee will be updated at key strategic points throughout the process. It is expected that the first phase 2 schemes will start on site in 2021/22 to complete by 2024/25. Schemes will help deliver the net carbon zero target by 2038.

## **Ultra-Low Emissions Vehicles (ULEV)**

2.40 The Secretary of State for Transport awarded the Combined Authority a capital grant on 30 March 2017 to deliver its Ultra-low Emission Vehicle (ULEV) Taxi Infrastructure proposals. The grant is for 88 taxi rapid charge point sites, with a local variation adding a second bay to each site for use by the general public. A total of £3.18 million has been approved for the project, £1.98 million from the Office of Low Emission Vehicles (OLEV) and £1.2 million from the Combined Authority's Local Transport Plan Integrated Transport Block.

- 2.41 The original deadline for grant expenditure was 31 March 2020, but an extension was granted until 31 July 2020. All site work has stopped since the introduction of the COVID19 restrictions, and OLEV has accepted that it is not possible to meet the new deadline. Work is continuing to complete all design and approvals, to allow efficient installation when the restrictions are lifted.
- 2.42 The objectives of the project are to deliver:
- 18% reduction in Nitrogen Oxide
  - 5.1% increase in ULEV taxi uptake by 2020
  - Improved local air quality
  - Cheaper whole life costs for ULEV taxis, compared to petrol/diesel versions
- 2.43 The project is being delivered by Engie an Electric Vehicle Charging Point (EVCP) supplier at sites across West Yorkshire. Over 300 possible charge sites were identified, but there is a high drop-out rate due to design issues and availability of suitable power supplies. 88 sites have been agreed for delivery as follows: Bradford 20 sites, Calderdale 8 sites, Kirklees 17 sites, Leeds 30 sites, Wakefield 13 sites. The project has now achieved:
- 45 chargers have been installed on site.
  - 30 chargers have been commissioned and are in-use by the public, with at least 1 in each of the 5 partner council areas. The remaining 15 installed chargers are subject to a late request by Northern Power Grid for 'wayleaves' (a right of way granted by a landowner) from the relevant partner councils.
  - Average charger usage statistics show up to 6 uses per day.
  - Future publicity will include information on estimated carbon savings.

### **Warm Homes Programme**

- 2.44 The Warm Homes programme aimed to address fuel poverty amongst some of the most vulnerable households in the Leeds City Region through replacing old, obsolete, carbon and cost intensive heating with first time (for those who have not previously had any form of central heating) efficient gas central heating systems, and often a gas connection, in housing stock across all tenures.
- 2.45 The Combined Authority declared a Climate Emergency in 2019 and strengthened its regional target to become a net zero carbon economy by 2038. In addition, Priority 3 of the Leeds City Region Strategic Economic Plan (Clean Energy and Environmental Resilience) sets out a long-term ambition to become a resilient zero carbon energy economy underpinned by high quality infrastructure. Priority 3 particularly emphasises the ambition to:

- Deliver improvements that make homes across the Leeds City Region warmer and reduce fuel poverty.
  - Develop partnership and funding models with the health sector to deliver collaborative interventions that reduce extreme cold and damp and improve health.
- 2.46 In December 2017, the Combined Authority approved its contribution to the Warm Homes programme of £1,619,960 (funded by the National Grid Warm Homes Fund). The total project value is £2.91 million, including £825,000 match funding from the partner councils and £465,000 private sector funding.
- 2.47 The programme was made up of two projects: the first delivering measures to over 200 privately owned and rented properties across the City Region. This project has been delivered through the Better Homes Yorkshire contract agreements. The second project delivered measures to 500 Leeds City Council owned properties and was delivered through Leeds own existing contract agreements.
- 2.48 The programme is now complete and 704 fuel poor (where the householder spends more than 10% of their income on fuel costs) properties have received first time central heating across both projects. The carbon savings achieved through replacing carbon intensive forms of heating for more efficient systems is 57,430 lifetime tonnes saved. This is expected to result in fuel bill savings of £7.75 million over the lifetime of the measures.
- 2.49 The Warm Homes programme followed on from the successful delivery of the Growth Deal funded Tackling Fuel Poverty programme. This programme delivered a range of energy efficiency and heating improvements to fuel poor households across the city region. The Combined Authority contributed £5.70 million (funded through the Local Growth Fund) towards the £10.50 million total cost. The programme delivered improvements in over 1,440 homes, the measures are expected to achieve future bill savings equivalent to £13.5 million, and carbon savings of almost 42,000 tonnes over the lifetime of the measures. This is equivalent to taking almost 22,000 cars off the roads.
- 2.50 In addition to a low income, many of the householders who have benefitted also have long term respiratory, cardiac or mental health conditions made worse by cold. The provision of an affordable, reliable heating system offers a significant improvement to their health and well-being. A programme closure report is now being completed.
- 2.51 The Combined Authority is developing pathways to meet its 2038 net-zero emissions target. It will examine economy wide emissions reductions, with a specific pathway marked out for buildings and homes. One of the key assumptions is that ambitious energy efficiency improvements will be necessary in all scenarios, raising all homes to an energy performance of EPC (Energy Performance Certificates) C and better by 2030, with connection to a low carbon heating system. The Combined Authority's policy team is leading a project that is looking at delivery, finance, funding, and supply chain,

necessary to deliver domestic energy efficiency at sufficient scale and pace to meet its net zero carbon emissions target.

### **West Yorkshire and York Broadband Programme**

2.52 The City Region's Strategic Economic Plan (SEP) 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 target of 99% coverage by 2018/19 was not met by the original Contract 1. However, with Contract 1 completed and Contract 2 in progress and on schedule, the programme is now 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 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%.

### **Energy Accelerator**

2.53 The Energy Accelerator is a key initiative under priority three of the Strategic Economic Plan (SEP) which aims to create a zero carbon energy economy by 2038. It is a new innovative programme aiming to address lack of project development funding and expertise that are preventing investment in low carbon capital projects in the Leeds City Region. The Energy Accelerator is a team of expert advisors that are supporting the development of low carbon projects. It offers free support to the commercial and public sector in the following areas:

- Energy efficiency and renewable energy (new and retrofitted)
- District heat networks
- Street lighting

2.54 The total value of the project is estimated at £3.799 million and is funded by:

- £820,000 LGF (of which £640,000 is allocated as 15% match funding towards the ELENA grant); and
- €3.513m (≈ £2.979m European Investment Bank ELENA funding).

2.55 The Accelerator has been operating for 18 months and is on track to exceed the targets set by the EIB funders of the programme. The revised pipeline of projects is estimated to:

- Meet the 1:20 leverage contractual target; and
- Enable £97 million of capital investment in low carbon projects by delivering project development services to investment projects within the 3-year contract period.

2.56 Fourteen low carbon projects spanning all eligible sectors are receiving support. These include:

- seven retrofit projects;
- six district heat projects; and
- one street lighting project.

2.57 Based on the current projects, the support offered through the Accelerator is estimated to leverage in £126m (~€148m) of capital investment within the 3-year contract period. This equates to a 1:61 leverage rate. The EIB requires the whole programme to achieve a 1:20 leverage rate over the three-year period.

2.58 In addition, at the 18-month period the Accelerator was required to spend 70 percent of the first tranche of funding received from the EIB. The first tranche received from the EIB was €1,405,538.80 is resulting in spend target of €983,877.29. The Accelerator has exceeded this target by providing project development services in the value of €1,089,292.71 (£923,442.46).

2.59 Another requirement of the EIB funding was to submit an Interim Report to the EIB outline the first 18 month's progress. The report highlights the achievement of required spend of 70% of the first EIB payment, progress on enabling capital investment in projects estimated to £126 million and forecasted leverage of 1:61 leverage.

2.60 The interim report was submitted by the West Yorkshire Combined Authority on 27 February 2020. Upon acceptance of the interim report the EIB will release further ELENA finding.

2.61 There is a possibility that the Covid-19 pandemic could delay the project but as yet there is no impact.

### **3 Financial implications**

3.1 Financial implications are included within the body of 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 the operational programmes included in the report.

## **8 Background documents**

8.1 None.

## **9 Appendices**

9.1 Appendix 1 – Letter to Cities and Local Growth Unit 18 March 2020