
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 3 September 2020

Subject: **LEP Capital Programme (Investment Committee)**

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1 Purpose of this report

1.1 To inform the LEP Board of the progress made implementing the LEP capital programme for 2020/21 and to provide:

- An overview of recent funding awarded through the Getting Building Fund;
- A summary of the activity currently underway to review the Assurance Framework in readiness for becoming a Mayoral Combined Authority.

2 Information

Capital Programme

Table 1 below summarises the expenditure as at quarter 1 on the LEP capital programme in 2020/21 against the in-year forecast:

Table 1

Capital Programme Expenditure 2020/21	Budget Forecast February 2020	In-Year Forecast June 2020	Actual Quarter 1 2020/21
Growth Deal Programme			
Priority 1 Growing business	£14,809,439	£11,368,691	£1,692,842
Priority 2 Skilled People and Better Jobs	£667,110	£667,273	£0
Priority 3 Clean Energy	£741,887	£1,022,946	£92,374
Priority 4a Housing and Regeneration	£6,500,000	£8,845,000	£0
Priority 4b West Yorkshire plus Transport Fund	£110,670,000	£87,384,018	£6,378,475
Priority 4c Economic Resilience	£4,181,524	£4,279,598	£170,132
Priority 4d Enterprise Zones	£12,337,000	£15,699,938	£3,798,672
Growth Deal - Other	£2,000,000	£2,500,000	£390,858
Growth Deal Total	£151,906,960	£131,767,464	£12,523,353
Broadband	£2,608,437	£2,198,052	£0
Getting Building Fund*	£0	£13,550,000	£0
Total Capital Spend	£154,515,397	£133,965,516	£12,523,353

* New funding programme

Getting Building Fund

- 2.1 On 10 June 2020 a letter was received from the Secretary of State for Housing, Communities and Local Government seeking ideas for accelerating existing Government funded capital projects and exceptional, additional shovel-ready capital projects to generate new activity within 18 months. The purpose of this was to help create jobs and raise overall demand in the economy. The LEP and the Combined Authority submitted 90 projects with a total grant requirement of £412 million. Projects were prioritised as Core (highest priority), Core+ and Core++.
- 2.2 Confirmation was received on 01 July 2020 of an award of £52.6 million for West Yorkshire. The Leeds City Region Enterprise Partnership and Combined Authority with partner councils were asked to submit a finalised list of projects for this funding. On 17 July 2020, a package of fifteen projects (listed in Table 2 below) was submitted that will support our economic recovery plan. The package includes: town and city centre regeneration focussed on improvement of public realm and green spaces and refining retail facilities: opening up new commercial and residential areas; support for business investment through grants: support for vulnerable residents through housing retrofit, access to jobs, community facilities; and new cycling and walking routes to encourage safe and active travel.

Table 2

Project	Grant (£m)
Business Growth Programme, West Yorkshire	7.00
Huddersfield George Hotel Redevelopment	1.37
Enterprise Zone Expansions: Parry Lane, Bradford and Langthwaite, Wakefield	9.07
Brighouse A6025 Reconstruction	1.80
Leeds City Centre 'Grey to Green' economic infrastructure and public realm	8.60
Bradford One City Park	7.50
Holbeck, Leeds Phase 2 Victorian Terrace Retrofit	2.60
Beech Hill Phase 2, Halifax – Multi-tenure housing group repair scheme	1.20
Wakefield Warm Homes Fund – energy efficient heating solutions	0.66
Dewsbury Arcade	0.60
Bradford 'City Village' Phase 1 - accelerating city centre regeneration	3.00
Leeds Liverpool Canal Towpath /Cycleway	0.50
Temple Green, Leeds Park & Ride Expansion	7.40
Wakefield Business Gigabit Voucher Scheme	0.30
Knottingley Skills, Business and Services Hub	1.00
Total	52.60

- 2.3 The package of projects was assessed prior to submission by the Cities and Local Growth Unit Yorkshire and Humberside and North East Area Team to confirm strategic fit and deliverability.
- 2.4 Formal announcement of the funding and the projects included was made on 04 August 2020. Under the terms of the funding all projects are required to spend in full by March 2022. Approval of the programme is now sought

through the Combined Authority meeting on 4 September 2020. The recommendation is for projects to progress directly to full business case plus costs as these projects are shovel ready this will allow them to progress quickly to delivery.

Assurance Framework Review

- 2.5 As part of the devolution deal The West Yorkshire Combined Authority will develop a robust Assurance Framework, by reviewing and amending the existing Assurance Framework, in line with national guidance, to be signed off by the Ministry of Housing, Communities and Local Government (MHCLG) Accounting Officer prior to funding being released. Within this Assurance Framework, West Yorkshire Combined Authority will demonstrate an objective means with which to assess interventions and programme design so that these are aligned to their balanced economic outcomes for the area.
- 2.6 In order to ensure that the Leeds City Region Assurance Framework (last published March 2020) is Mayoral Combined Authority ready, the Combined Authority is reviewing the Framework and associated processes to ensure that National Framework Guidance is met as a minimum and the framework is robust and able to meet the demands of the future assurance needs.
- 2.7 To ensure we are developing an Assurance Framework that is fit for purpose the Combined Authority undertook a Stakeholder survey which closed on 15 July 2020. The survey interacted with over 250 stakeholders who gave a range of view on the effectiveness of the current framework and what we they would like to see in the future to make it more efficient and effective. The Combined Authority is undertaking analysis of the results and these will be considered and used to shape the Assurance Framework as it is developed over the coming months.

Growth Deal

- 2.8 The quarter 1 claims have now been processed, actual spend in this quarter is £12.52 million which is higher than the forecast included in the Growth Deal review submission of £10.08 million, this is detailed in the attached **Appendix 1**. The forecast expenditure across all projects remains on track to achieve the required level of spend as follows:
- Transport Fund – whilst there have been ups and downs against individual projects the current forecast is on track to achieve the £89.64 million reported in the Growth Deal review. It should be noted that this would still result in an underspend of almost £12 million on the £280.90 million allocation for the Transport Fund included in the Growth Deal. The indication from Government is that as the Transport Fund has passed its 5 year gainshare review (undertaken in 2019) there is no danger of funding being removed.
 - Economic Development – the forecast for spend on the economic development projects is on track. Whilst some additional projects are progressing through the assurance process any additional spend on

these will help to mitigate against possible underspend in other areas and can support full spend of the full Growth Deal allocation of £516.35 million.

- 2.9 Each quarter a return is made to the Cities and Local Growth Unit (CLoG) through its data capture system which collates Growth Deal programme information. CLoG has requested that this dashboard should be endorsed by the LEP Board each quarter. The dashboard for the quarter 1 dashboard was submitted in accordance with the deadline of 21 August 2021 it is attached at Appendix 2 for information and endorsement of the LEP Board.
- 2.10 The Ministry of Housing, Communities and Local Government has confirmed that the Combined Authority will now receive the final outstanding payment of the Growth Deal funding following a successful review of the programme.

3 Clean Growth Implications

- 3.1 Through the Assurance Framework and other internal decision-making procedures, the Combined Authority will review and embed clean growth considerations into our activities.
- 3.2 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.
- 3.3 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).
- 3.4 A tender has been issued to the market and following a detailed evaluation process (which included local authority partners) a preferred contractor has now been identified, with contract award negotiations currently taking place. The project inception meeting is scheduled for the first week of July and subject to confirmation it is anticipated that the phase 1 project report (context, scoping and recommendation of approach to phase 2 detailed technical works) will be presented to the project steering group in August 2020 with phase detailed work commencing quickly thereafter.

3.5 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports.

4 Financial implications

4.1 Financial implications are included within the body of the 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 LEP Board notes the progress of the LEP capital programme for 2020/21, the approval from Government of the new Getting Building Fund and the work being undertaken to review the Assurance Framework.

9 Background Documents

9.1 None.

10 Appendices

10.1 Appendix 1: Growth Deal Dashboard Quarter 1 2020/21

10.2 Appendix 2: Growth Deal Data Capture Dashboard Quarter 1 2020/21