

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

**Date:** 17 November 2020

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

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

**Author:** Lynn Cooper, Portfolio Lead (Monitoring & Reporting)

## 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 update on the Growth Deal programme, including the Enterprise Zones
- A summary of the current activity ongoing to develop the Getting Building Fund projects
- Details of the commencement of the new Broadband Contract 3

## 2 Information

### Capital Programme

2.1 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**

<b>Capital Programme Expenditure 2020/21</b>	<b>Budget Forecast February 2020</b>	<b>In-Year Forecast June 2020</b>	<b>Actual Quarter 1 2020/21</b>
<b>Growth Deal Programme</b>			
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
<b>Growth Deal Total</b>	<b>£151,906,960</b>	<b>£131,767,464</b>	<b>£12,523,353</b>
Broadband	£2,608,437	£2,198,052	£0
Getting Building Fund*	£0	£13,550,000	£0
<b>Total Capital Spend</b>	<b>£154,515,397</b>	<b>£133,965,516</b>	<b>£12,523,353</b>
* New funding programme			

## Growth Deal

- 2.2 The Growth Deal programme continues to perform well in its final year. The quarter 2 claims are currently being reconciled and analysed, a full report on performance will be submitted to the next meeting of the LEP Board in January 2020. Cumulative spend at quarter 2 is circa £28 million, whilst this is below the estimate included in the Local Growth Fund Review submitted in June 2020 of £30 million it is not a concern at this time.
- 2.3 The Growth Deal Cities and Local Growth Unit (CLOG) monitoring return for quarter 2 is due for submission on 20 November 2020. This dashboard will be tabled at this meeting for endorsement by the LEP Board.

## Enterprise Zones

- 2.4 Enterprise Zone programme delivery has increased significantly over the last 25 months; the phase 1 Leeds Aire Valley EZ is continuing to be successfully developed out by the private sector, where to date over 850,000 sq ft of new commercial space has been completed and further units are under construction. Work has also now commenced on a 2 million sq ft unit that once complete will be the third largest unit in the world.
- 2.5 Following over 2 years of dedicated activity, four of the nine phase 2 EZ sites have also come forward into delivery, including:
- Lindley Moor West (Kirklees),
  - Moor Park (Kirklees),
  - Gain Lane (Bradford) and
  - South Kirkby Plot 3 (Wakefield)
- 2.6 In addition, due to dedicated resource and collaboration with partner councils, de-risking, enabling and highway works are due to start on site at Parry Lane (Bradford) in December 2020. Furthermore, to secure an acceleration of works, the Combined Authority completed the purchase of 9.45 hectares of land at Langthwaite (Wakefield) on 10 August 2020. Infrastructure works to deliver a new access road will commence on site in January 2020, with a further package of enabling works programmed to start on site in Spring 2021. Both of these sites have benefited from an allocation from the Getting Building Fund which has allowed works to be committed which would otherwise would have prevented these sites coming forward. This ensures that spend on both Getting Building Fund and Growth Deal is maximised.
- 2.7 Key outputs from these sites (once completed) across the EZ programme will be:

**Table 2**

Site	Job creation estimates	Commercial floorspace delivered
Lindley Moor West	216-325	145,312 sqft – scheme complete
Gain Lane	490-735	72,000sqft under construction with residual planning sought for a further 120,000sqft.  Thereafter the remaining 65,500sqft will be delivered in line with market demand.
Parry Lane	239-359	Outline planning permission secured to deliver 182,000 sqft
Moor Park	286-430	72,500sqft completed and residual planning secured for a further 228,000 sqft
Langthwaite	683 - 1025	Planning permission will be submitted to deliver 275,000 sqft
South Kirkby	816-1225	100,000 sqft completed to date. A further 46,000 sqft due for completion in Dec 2020 and developer contract commitment to deliver a further 18,500sqft.

### Getting Building Fund

- 2.8 The £52.6 million programme was approved by Investment Committee at its meeting of 1 September 2020 and subsequently approved by the Combined Authority at its meeting of the 4 September 2020.
- 2.9 Whilst the expectation is that the programme will be delivered within the funding awarded, the Combined Authority approved over-programming of up to £1 million (2%) to cover Programme Management and assurance costs.
- 2.10 The Combined Authority also approved development costs of £2.63 million (5%) which was delegated to the Director of Delivery to agree funding for individual projects.
- 2.11 A total of five of the fifteen projects have now entered the appraisal process and seven further projects are expected to be submitted by December. It is anticipated that most projects will have been considered by the Investment Committee by the end of March 2021.

### Broadband

- 2.12 The City Region's Strategic Economic Plan (SEP) laid out an ambition to achieve 99% superfast broadband connectivity across West Yorkshire and York. 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. Contract 1 delivered 97% coverage. The Superfast Extension Programme (Contract 2) is on track to deliver up to 98% access to superfast broadband by end June 2021. Both of these contracts involved delivering fibre directly to a premise or to a nearby cabinet.
- 2.13 The challenging ambition of 99% coverage will continue to be progressed through Contract 3 which is using wireless technology to deliver to speeds of 1

Gb/s to many of the remaining and most difficult to reach rural properties. The new contract was signed in September 2020 with Quickline. The aim is to extend coverage to an additional 5,571 premises it will also provide ultrafast speeds for 1,261 business. The work already commencing with plans for initial locations to get service in December 2020. The infrastructure rollout will be complete by December 2022 and will meet the SEP's coverage aspiration.

- 2.14 Building Digital UK (BDUK) (part of the Department for Digital, Culture, Media & and Sport) are responsible delivering broadband networks to the nation. After an intense review, BDUK are satisfied that Quickline's innovate wireless solution was value for money as it mitigates the problem of delivering fibre to every remote premise. Quickline's solution aligns the Government drive for Gigabit Broadband by 2025 and critically it enables West Yorkshire to go faster and further. Funding for Contract 3 has been secured with grant through the Department for Environment, Food & Rural Affairs (DEFRA).

### **3 Clean Growth Implications**

- 3.1 The Combined Authority has taken action to ensure all decisions we make include Climate Emergency considerations. The Combined Authority:
- has strengthened how clean growth and climate change impacts are considered as part of all schemes that come through the Combined Authority's Assurance Framework.
  - requires LEP and the Combined Authority reports to include clean growth / tackling the Climate Emergency implications, including qualitative impact assessments.
- 3.2 To fully strengthen decision making across the whole of the Combined Authority's Assurance Framework a robust, quantifiable methodology for assessing all new schemes predicted carbon emissions/wider clean growth impacts is being developed. Please see the Climate Emergency report included on the agenda for the [November Investment Committee](#) meeting. The report provides an update on the work commissioned by the West Yorkshire Combined Authority to develop a carbon impact assessment tool and the incorporation into the Assurance Framework.
- 3.3 Clean growth, including climate change, impact assessment / considerations are all now included in all Capital Spending and Project Approvals reports. This ensures that the business cases now reflect the Leeds City Region Climate Emergency priority and evidence that they will reduce carbon emissions (both directly and indirectly).

### **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 including the implementation of the Getting Building Fund and Broadband Contract 3; and
- endorses the CLoG monitoring return which is to be tabled at this meeting.

## **9 Background Documents**

9.1 None.

## **10 Appendices**

10.1 None.