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ITEM 5

Report to: Combined Authority

Date: 6 April 2017

Subject: Capital Spending and Project Approvals

1. Purpose

- 1.1. To approve the progression of and funding for schemes from the West Yorkshire Plus Transport Fund (WY+TF) and Local Growth Deal projects.

2. Information

- 2.1 This report puts forward proposals for the progression of, and funding for, a number of WY+TF and Growth Deal projects for approval by WYCA, following consideration by the Investment Committee. WYCA 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 Points 2 (case paper approval) and 5 (final cost approval), highlighted in green below, with the requirement to meet the intervening activities deemed on a project by project basis.

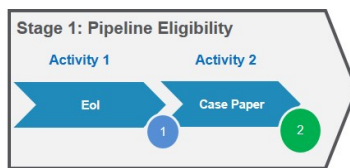


- 2.2 The Programme Appraisal Team (PAT) appraises all schemes at the decision points. The PAT consists of a panel of officers representing policy, legal, financial, assurance and delivery supplemented with external experts. The scheme promoters from the District Councils or Partner Delivery organisations attend the meeting to introduce the scheme and answer questions from the panel. The Terms of Reference for the PAT are contained within the recently updated Assurance Framework.

- 2.3 In accordance with the recently updated Assurance Framework, an overview of all scheme business cases are published on the WYCA website.

3. Projects in Stage 1: Pipeline Eligibility

- 3.1 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 pipeline. At this stage funding may be sought to enable this work to progress.



A629 Halifax to Huddersfield Corridor Phase 5 – Case Paper (Activity 2)

- 3.2 Improvements along the A629 corridor between Halifax and Huddersfield is one of the priority schemes programmed to be implemented as part of the Transport Fund programme. Corridor improvements under the Transport Fund will see a £120.6m transport package comprising multi-modal interventions which will improve journey time reliability. The scheme will be delivered in a number of phases over the next five years, providing strong strategic support for Priority 4 – Infrastructure for Growth and will contribute to the SEP objectives of this priority in supporting the building of 10,000 to 13,000 new homes per year and deliver improved movement between towns and cities and through high quality transport and wider infrastructure.
- 3.3 The A629 interventions are being delivered jointly by Kirklees Council and Calderdale Council and has been split into phases to manage on site delivery and traffic management during construction phases. This funding request relates to the Phase 5 section being led by Kirklees Council and covers the section between Huddersfield Ring Road and Ainley Top roundabout.

Recommendation

- 3.4 That WYCA approves funding of £202k for the A629 Halifax to Huddersfield Corridor Phase 5 scheme to progress through Decision Point 2 to Activity 3 (Outline Business Case). That the Approval Pathway be amended so that the scheme returns to the PAT, Investment Committee and Combined Authority at Decision Point 3 to request further development costs and land acquisition costs. The project will be funded from the WY+TF.

Enterprise Zone Phase 2 (Part 2 Feasibility) – Case Paper (Activity 2)

- 3.5 Enterprise Zones (EZs) are seen as a key part of the Government's national agenda to devolve responsibility for growth and incentivise additional economic development. The EZ Programme supports the SEP vision and the principle of 'good growth' by

supporting delivery of innovation, good jobs/incomes and improving the quality of places. The EZs are also identified as Spatial Priority Areas in the SEP. Further information is at Item 12 – LCR Enterprise Zone Programme.

- 3.6 This feasibility forms part of a larger programme within the Growth Deal 3 submission at a strategic level. The full LCR EZs programme (10 sites) will be brought to Investment Committee and WYCA in June 2017 for consideration. However, the release of this funding ahead of the programme allows scheme progression in terms of feasibility works at Staithegate Lane (Bradford), Parry Lane (Bradford), Lindley Moor East (Kirklees) and Langthwaite Business Park Extension (Wakefield), Phase 2 – Part 2 of the scheme.
- 3.7 This package of feasibility and master planning requires funding of £165k contribution from Growth Fund (total cost £270k). The remainder of the balance is derived from a £50k grant contribution from DCLG's Commercial Support Fund alongside District and landowner contributions of £55k. The capital projects themselves would be funded from Local Growth Fund.

Recommendation

- 3.8 That WYCA approves pre-feasibility funding of £165k for Enterprise Zones Phase 2 Part 2 to enable the procurement of the feasibility work for the 4 identified sites and that confirmation of the match funding and start of procurement be sent to DCLG. That the full programme is brought back to the PAT, Investment Committee and Combined Authority in June 2017 for consideration. The project will be funded from the Local Growth Fund.

The next three schemes have proceeded directly to WYCA ahead of consideration by the Investment Committee due to the time constraints of the funding streams. Business Cases for these schemes are appended to this report.

West Yorkshire Cycling and Walking to Work Fund – Case Paper (Activity 2)

- 3.9 The scheme is a £1.5m DfT grant, which will deliver a range of revenue-funded activities including Cycling and Walking to Work Fund. The aim is to enable, encourage and support individuals and employers in West Yorkshire to take up cycling and walking as ways of accessing existing or new employment and training opportunities. Activities include training provision, employer liaison and provision of small grants for facilities improvements, media campaigns and employee incentive schemes. Activities will be focussed on individuals and employers located in the SEP Priority Areas and adjacent employment and skills clusters as part of a West Yorkshire-wide initiative where cycling and walking are suitable options for travel – with consideration of where these are aligned with high quality walking and cycling infrastructure.

Recommendations

- 3.10 That WYCA approves the spending of the £1.5m West Yorkshire Cycling and Walking to Work DfT grant and that the funding is included in the WYCA budget. That the scheme commences work on Activity 5 (Full Business Case with Finalised Costs)

returning to the PAT for review at Decision Point 5. There is zero tolerance above the £1.5m funding limit.

- 3.11 That WYCA approves the Managing Director to use his delegation at subsequent Decision Points (pathway suggested DP 5(Full Business Case with Finalised Costs), 6 (Delivery) and 8 (Execution)) to accept the Full Business Case and signing all necessary contracts. That the scheme is allowed to twin track the completion of the Full Business Case whilst starting to procure the solution and advertise for FTE posts and that the Acceptance Letter is signed and returned to DfT.

National Productivity Investment Fund (NPIF) - Case Paper (Activity 2)

- 3.12 Following the initial announcement in the Autumn Statement (2016) of a proposed National Productivity Investment Fund (NPIF), the DfT has confirmed that West Yorkshire is to receive £6.925m as part of a national allocation of £185m to be spent in 2017/18 on 'improving local road networks, such as highways and public transport networks'. It is proposed to use NPIF to enable an expanded Local Transport Plan Implementation Plan programme alongside existing funding allocations.
- 3.13 A condition of the grant allocation is that authorities must include information on their website by end of March 2017 providing details of how the funding is to be used in 2017/18. The funding in 2017-18 is made by direct allocations to local Transport/Highways authorities. Future years funding (2018-20) is likely to be subject to competitive bidding process. West Yorkshire Districts and WYCA have agreed an approach to the funding, to use NPIF to enable an expanded Local Transport Plan Implementation Plan programme, alongside:
- Integrated Transport Block funding allocation for 2017/18
 - Highway Maintenance Block funding allocation for 2017/18

Recommendation

- 3.14 The approval sought for the National Productivity Investment Fund (NPIF) scheme is included within Item 14 – Integrated Transport Block Programme – Implementation Plan 3.

Global Shared Services Centre – Case Paper (Activity 2)

- 3.15 The Investment Team have been working hard to secure the Global Shared Service Centre of a FTSE100 company to Leeds. The investor has requested anonymity due to the levels of commercial sensitivity and that a determination on their grant application is made before the end of April. This investment will create 500 new additional jobs to the region and circa 100 new jobs to the UK. The investor has requested a £1,500,000 grant against a £15,000,000 capital expenditure including capitalisation of a 10 year lease which is allowable.
- 3.16 The new GD3 £13.45m Strategic Inward Investment fund will be the source of the grant. The Strategic Inward Investment Fund programme is currently being

developed and the full programme will be brought to Investment Committee on 7th June for a recommendation and WYCA on 29th June for consideration.

- 3.17 The investor wishes to confirm their final investment location during April and make a public announcement in May. Their main Board has delegated the final location decision to a project sub-committee who now await a determination on this grant application.
- 3.18 WYCA is now asked to approve the scheme to proceed through Decision point 2 to Stage 2: Pipeline Development. An Expression of Interest for the scheme has been assessed and has passed the eligibility check, a Case Paper was then produced which has been appraised by a Case Officer and the Programme Appraisal Team (PAT) who have recommended the grant application for Decision Point 2 approval by WYCA. Once the scheme has progressed to Stage 2 it is proposed it will complete Decision Points 4 (Full Business Case) and Decision Point 5 (Full Business Case with finalised costs and grant agreement).
- 3.19 Due to the need for expediency, the investor has already submitted a full grant application to WYCA The business case is currently been appraised and independent State Aid advice will be sought. The LCR Investment Panel will consider the full application using the existing Business Growth Programme appraisal process and make their recommendation. To meet the investors' expectations and for expediency purposes we request that the WYCA delegates the final decision on the determination of this grant to the MD of WYCA pending a recommendation from the Investment Panel.

Recommendations

- 3.20 That WYCA approves that the scheme, Project Primrose, progresses through Decision Point 2 into Stage 2: Pipeline Development. That the future assurance pathway for the scheme requires the scheme to be considered again at Decision Point 4 and 5. At these Decision Points, WYCA is asked to delegate approval to proceed through both these Decision Points to the Managing Director following a recommendation from LCR Investment Panel.

The following has proceeded directly to WYCA ahead of consideration by the Investment Committee due to the time constraints of the funding stream. Please note that this funding stream is Revenue for strategy development and therefore a Business Cases is not required.

Leeds City Region HS2 Growth Strategy Phase 2

- 3.21 In the 2016 Budget, Government announced they were making available funding to those cities with a HS2 station to develop a growth strategy to set out how they intended to maximise the arrival of HS2.
- 3.22 The LCR HS2 Growth Strategy sits firmly within the City Region policy framework and as such is clearly linked to the Strategic Economic Plan 2016 – 2036 vision and wider

strategic framework and investment priorities and also complements the West Yorkshire Transport Strategy.

- 3.23 The LCR HS2 Growth Strategy will consider how interventions delivered alongside HS2 in Leeds and the wider City Region could spread the benefits of HS2 across the city region, as well as a focused look at growth in the area around Leeds station (e.g. South Bank, and City Square areas). The economic workstream forms the central element of the strategy.
- 3.24 WYCA and LCC secured the first phase of funding of £625K from DCLG in 2016 to develop the LCR HS2 Growth Strategy. This funding was approved by Combined Authority in July 2016. Phase 1 of the LCR HS2 Growth Strategy Programme has now been commissioned with a series of workstreams and consultants commencing work.
- 3.25 The second phase of the LCR HS2 Growth Strategy has now been endorsed by DCLG and DfT. Phase 2 will have a major focus on how connectivity can support economic growth as a result of HS2. The purpose of this workstream will be to establish the major local connectivity priorities which are required to enable and maximise growth associated with HS2.
- 3.26 Following a successful submission, WYCA has now received a Grant Determination Letter for £625K to fund Phase 2 and it will be the accountable authority for the grant. It is intended that the grant will fund further advisor input, Leeds City Council input and some additional studies for related Transport Fund schemes.
- 3.27 The LCR HS2 Growth Strategy is due to be submitted to Government in September 2017. In order to meet these timescales it is necessary to engage advisors on Phase 2 during April to enable integration with existing submissions. Therefore it is necessary to seek an approval from Combined Authority to spend the Phase 2 grant of £625k at this meeting.
- 3.28 The short timescales have meant that this item has not been considered by the Investment Committee. Notification of the grant offer was considered by WYCA's Programme Appraisal Team on 24th of April who have recommended that approval to spend is granted.

Recommendation

- 3.29 That WYCA approves spend of £625K for the Leeds City Region HS2 Growth Strategy Phase 2. This will be funded entirely from the DfT grant received by WYCA on 21st March 2017.

The following has proceeded directly to WYCA ahead of consideration by the Investment Committee due to the time constraints of the funding stream. Please note that this funding stream is for development of an Expression of Interest and therefore publication of a Business Cases is not required at this stage.

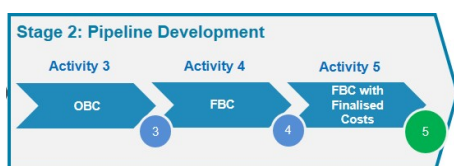
Steeton and Silsden Active Travel Access

- 3.30 The proposed scheme aims to improve active travel access between Steeton and Silsden enabling crossing of the A629 dual carriageway. Bradford MBC has long held ambitions to implement such a scheme, but has required funding support to undertake the necessary feasibility and design works. Following significant local and political lobbying the DfT have made an offer of funding of up to £700K to fund the development work on the proposed scheme.
- 3.31 DfT expect the funding to be used to enable Bradford Council to develop the business case for the scheme, working in conjunction with WYCA. If the business case is strong then further funding would be required to deliver the construction phase of the scheme. This funding source has not been identified yet. The DfT require that the funding is claimed by WYCA in 2016/17 Financial year. Capital spend approval is now sought for the 700K grant funding.
- 3.32 Notification of the funding offer was received week commencing 20th March and in order to enable Bradford to access the funding, capital approval is now sought. The short timescales have meant that this item has not been considered by the Investment Committee. Notification of the grant offer was considered by WYCA's Programme Appraisal Team on 24th March and recommended that a formal Expression of Interest is submitted for consideration by the PAT and the Investment Committee, submitted by Bradford Council.

Recommendation

- 3.33 That WYCA approves acceptance of the DfT offer of funding of £700K and the spend of this for the Steeton and Silsden Active Travel Access scheme. That an Expression of Interest is submitted for consideration by the PAT and the Investment Committee.

Projects in Stage 2: Pipeline Development



York Outer Ring Road (A1237) – Change Request (OBC) (Activity 3)

- 3.34 In December 2014, WYCA approved a recommendation for the A1237 York Outer Ring Road project to progress through Gateway 1 (now Decision Point 3) and funding of £208k was approved as a contribution to develop the project with City of York Council funding the remainder of the costs. This is a high priority project forecasted to be completed by 2022.
- 3.35 City of York Council is now a full member of the WY+TF, and subject to a signed partnership agreement being in place, the full costs of £2.45m to complete detailed design and full business case (to Decision Point 5) can now be funded from the Growth Deal. A funding approval for an additional £2.24m is now sought from the WY+TF, which includes the previously approved £208k.

Recommendation

- 3.36 That WYCA approves funding of £2.24m for the York Outer Ring Road (A1237) scheme to continue to progress through to Activity 4 (Full Business Case). The project will be funded from the WY+TF.

A629 Halifax to Huddersfield Corridor Phase 1a – FBC (Activity 4)

- 3.37 Improvements along the A629 corridor between Halifax and Huddersfield is one of the priority schemes programmed to be implemented as part of the Transport Fund programme. Corridor improvements under the Transport Fund will see a £120.6m transport package comprising multi-modal interventions which will improve journey time reliability. The scheme will be delivered in a number of phases over the next five years, providing strong strategic support for Priority 4 – Infrastructure for Growth and will contribute to the SEP objectives of this priority in supporting the building of 10,000 to 13,000 new homes per year and deliver improved movement between towns and cities and through high quality transport and wider infrastructure.
- 3.38 Phase 1a is the most progressed of all phases along the corridor and is considered as an enabling component to the subsequent Phase 1b works. Phase 1a incorporates the section of the A629 stretching from Jubilee Road in the south to Free School Lane/Skircoat Road in the north. Calderdale Council have undertaken elements of construction works on site at risk to manage and mitigate impact of works on traffic, have secured a number of land acquisitions needed for the delivery of the scheme and undertaken a number of utilities advanced diversions to prepare the site for further construction works. They are now seeking repayment of these costs where the balance of the OBC funding allocation has been exceeded. Further land acquisitions and utility diversions are planned
- 3.39 A funding approval is now sought of £2.2m from the WY+TF to undertake further development works to take the project to Activity 5. This request comprises £1.5m to repay incurred costs at risk and £708k for further development works including final land acquisitions and further utility advanced diversions. Calderdale Council have tendered to secure a contractor partner, all of the bids received are below the full construction cost plan and within tolerances. In reflection of the submitted bids received and the knowledge and confirmation that the maximum budget allocation of £8.5m will not be exceeded and with clarification with Calderdale Council that any cost overruns are to be entirely at their risk, confirmation is now sought that entering into a contract at Activity point 5 is delegated to the Managing Director.

Recommendation

- 3.40 That WYCA approves funding of £2.2m for the A629 Halifax to Huddersfield Corridor Phase 1a scheme to progress the scheme from Activity 4 (Full Business Case) through Activity 5 (Finalise Costs). That subsequent progression at Decision Point 5 to a maximum funding total of £8.5m is approved by delegation to the Managing Director. The project will be funded from the WY+TF.

Leeds District Heat Network - Change Request (Finalising Costs) (Activity 5)

- 3.41 Leeds District Heat Network (LDHN) involves the construction of a new 6.4 kilometre District Heating Network (DHN) using super-insulated steel pipes, to connect the Recycling and Energy Recovery Facility (RERF) in the Aire Valley to customers across the City of Leeds. Heat will be extracted from the turbine in the form of steam which will be used to transfer heat to the DHN via a heat exchanger. Initially the Network will be connected to tenants of Council-owned flats to the north of the city centre. ESIF funding has been secured to convert 22 tower blocks from electric heating to district heating, in order to connect to the spine DHN. The heat provided will result in savings on tenants' fuel bills and reduced greenhouse gas emissions. The network will be commissioned by the applicant, Leeds City Council (LCC) and they will seek other customers for heat across the city.
- 3.42 Following the submission of a Full Business Case (FBC), £7m was approved on 31st March 2016 for the Leeds District Heat Network. The Combined Authority (WYCA) recognised the benefits of the project and delegated the decision on an appropriate funding mechanism to the WYCA Director of Delivery, in consultation with the Chair of the Investment Committee. It was agreed that the funding should be split into a £3m loan and a £4m grant.
- 3.43 Leeds City Council (LCC) has submitted a revised Full Business Case to reflect a number of key changes to the project:
- (i) The Council identified that they will need to pay National Non-Domestic Rates (NNDR) of £400k per annum to WYCA for the first 25 years of the Network's operation. This has led to the need to change the delivery model.
 - (ii) The start had been delayed due to the complexity of the procurement, assembly of funding and securing sufficient anchor customers. Originally the project was due to spend £2.4m in 2016/17. At best, the project can now spend £0.2m in 2016/17 subject to approval.
 - (iii) The total project cost has risen from £21m to £25m and the Council has amended LDHN's business model; reducing the forecast level of heat sales to customers.
 - (iv) The number of jobs forecast to be created has risen from 5 to 15 as a result of the monitoring period extending from March 2021 to March 2025.

Proposed change request

- 3.44 In the revised full business case (FBC) the Council seeks a grant of £10m from WYCA. The remaining project costs will be met by a loan from the Public Works Loan Board (PWLB) and a new grant request for £4m from the Heat Network Investment Programme (HNIP). LCC make a firm case that the requirement to pay c£12.6m in NNDR to WYCA makes the project as it was originally conceived unviable. This argument is supported by the financial model supplied with the FBC.

- 3.45 It should be noted that NNDR is payable due to the location of a proposed new Energy Centre at Leeds Enterprise Zone. The rates are calculated based on not just the size of the Energy Centre, but the whole pipe network. Whilst the proposition of receiving £12.6m in rates looks attractive it should be noted that the timing and level of this funding is uncertain.
- 3.46 It was confirmed that Leeds City Council will guarantee to pay WYCA a minimum of £400,000 each year, once the facility is operational, this will either come through the NNDR payments due from the District Heat Network or from the project's budget.
- 3.47 The revised Full Business Case been independently appraised and considered by the PAT. The appraisal concluded that LDHN is an innovative project with a high risk level in terms of delivery. The project has a vulnerable financial model – costs do not need to rise, or sales fall by more than 10% before it looks difficult for LCC to repay the loan from the PWLB. The Benefit Cost Ratio (BCR) submitted with the FBC shows that the project has weak value for money over a 5 year period, but becomes more attractive when considered over a 10 and 25 year period. The Investment Committee recommended a £10m conditional approval for grant from WYCA.
- 3.48 This requires an additional £3m grant to be allocated to the project. However, there is currently no unallocated funding in Priority 3, therefore it may be necessary to reduce existing pipelines as the Growth Deal is almost fully committed.

Recommendation

- 3.49 That WYCA conditionally approve a grant of £10m to the Leeds District Heat Network subject to the full funding package being secured from other sources and robust evidence regarding anticipated levels of demand being provided to the next meeting of the Investment Committee. The project will be funded from the Local Growth Fund.

Projects in Stage 3 – Delivery & Evaluation



Project Approvals that are being progressed through delegation to the Managing Director

- 3.50 The following projects were reported to Investment Committee on 8 March 2017. Investment Committee recommended their progression and approval of associated funding should be progressed through the delegation to the Managing Director:
- (i) a total cost increase (with no further grant increase) for Leeds City College Quarry Hill and an extension to the programme by 10 months and that assets

from disposal are used to cover the increase in project costs, whilst any remaining surplus would return to the WYCA;

- (ii) to change the £1m loan at 2% interest for Kirklees Housing Project to an interest free loan of £800k and a £200k project development grant to bring Kirklees Housing project in line with the other LGF projects and allow for the claiming of staff time as eligible project development costs.

4. Financial Implications

- 4.1 Funding for the projects A629 Halifax to Huddersfield Corridor Phase 5, Enterprise Zone Phase 2 (Part 2 Feasibility), West Yorkshire Cycling and Walking to Work Fund, National Productivity Investment Fund (NPIF), York Outer Ring Road (A1237), A629 Halifax to Huddersfield Corridor Phase 1a and Leeds District Heat Network from the West Yorkshire Plus Transport Fund and the Local Growth Fund Award for 2016/2017.

5. Legal Implications

- 5.1. The payment of any funding received through the Local Growth Deal to any partner will be subject to a funding agreement being in place between the WYCA and the partner in question.

6. Staffing Implications

- 6.1 For the Cycling and Walking to Work Fund proposal the following recruitment is proposed:
 - CityConnect Cycles activity - 1 x FTE for administration of contract. To be recruited for Fixed Term contract.
 - Bike Friendly Business Scheme activity - 3 x FTE Engagement officers. To be recruited for Fixed Term contract.

All posts to be funded from the Cycling and Walking to Work Fund.

7. Recommendations

- 7.1 That WYCA approves funding of £202k for the A629 Halifax to Huddersfield Corridor Phase 5 scheme to progress through Decision Point 2 to Activity 3 (Outline Business Case). That the Approval Pathway be amended so that the scheme returns to the PAT, Investment Committee and Combined Authority at Decision Point 3 to request further development costs and land acquisition costs. The project will be funded from the WY+TF.
- 7.2 That WYCA approves pre-feasibility funding of £165k for Enterprise Zones Phase 2 Part 2 to enable the procurement of the feasibility work for the 4 identified sites and that confirmation of the match funding and start of procurement be sent to DCLG.

That the full programme is brought back to the PAT, Investment Committee and Combined Authority in June 2017 for consideration. The project will be funded from the Local Growth Fund.

- 7.3 That WYCA approves the spending of the £1.5m West Yorkshire Cycling and Walking to Work DfT grant and that the funding is included in the WYCA budget. That the scheme commences work on Activity 5 (Full Business Case with Finalised Costs) returning to the PAT for review at Decision Point 5. There is zero tolerance above the £1.5m funding limit. That WYCA approves the Managing Director to use his delegation at subsequent Decision Points (pathway suggested DP 5(Full Business Case with Finalised Costs), 6 (Delivery) and 8 (Execution)) to accept the Full Business Case and signing all necessary contracts. That the scheme is allowed to twin track the completion of the Full Business Case whilst starting to procure the solution and advertise for FTE posts and that the Acceptance Letter is signed and returned to DfT.
- 7.4 The approval sought for the National Productivity Investment Fund (NPIF) scheme is included within Item 14 – Integrated Transport Block Programme – Implementation Plan 3.
- 7.5 That WYCA approves that the scheme, Project Primrose, progresses through Decision Point 2 into Stage 2: Pipeline Development. That the future assurance pathway for the scheme requires the scheme to be considered again at Decision Point 4 and 5. At these Decision Points, WYCA is asked to delegate approval to proceed through both these Decision Points to the Managing Director following a recommendation from LCR Investment Panel.
- 7.6 That WYCA approves spend of £625K for the Leeds City Region HS2 Growth Strategy Phase 2. This will be funded entirely from the DfT grant received by WYCA on 21st March 2017.
- 7.7 That WYCA approves acceptance of the DfT offer of funding of £700K and the spend of this for the Steeton and Silsden Active Travel Access scheme. That an Expression of Interest is submitted for consideration by the PAT and the Investment Committee.
- 7.8 That WYCA approves funding of £2.24m for the York Outer Ring Road (A1237) scheme to continue to progress through to Activity 4 (Full Business Case). The project will be funded from the WY+TF.
- 7.9 That WYCA approves funding of £2.2m for the A629 Halifax to Huddersfield Corridor Phase 1a scheme to progress the scheme from Activity 4 (Full Business Case) through Activity 5 (Finalise Costs). That subsequent progression at Decision Point 5 to a maximum funding total of £8.5m is approved by delegation to the Managing Director. The project will be funded from the WY+TF.
- 7.10 That WYCA conditionally approve a grant of £10m to the Leeds District Heat Network, subject to the full funding package being secured from other sources and robust evidence regarding anticipated levels of demand being provided to the next

meeting of the Investment Committee. The project will be funded from the Local Growth Fund.

- 7.11 That WYCA notes the progression of and funding for schemes from the West Yorkshire plus Transport Fund (WY+TF) and Local Growth Fund as follows, where Investment Committee has delegated the final details of the individual approvals to be delegated to the Managing Director:
- (i) total cost increase (with no further grant increase) for Leeds City College Quarry Hill and an extension to the programme by 10 months and that assets from disposal are used to cover the increase in project costs, whilst any remaining surplus would return to the WYCA;
 - (ii) to change the £1m loan at 2% interest for Kirklees Housing Project to an interest free loan of £800k and a £200k project development grant to bring Kirklees Housing project in line with the other LGF projects and allow for the claiming of staff time as eligible project development costs.

8. Appendices

- Appendix 1 West Yorkshire Cycling and Walking to Work Fund
- Appendix 2 National Productivity Investment Fund (NPIF)
- Appendix 3 Global Shared Services Centre

9. Background Documents

None.