WEST YORKSHIRE COMBINED AUTHORITY

# MINUTES OF THE MEETING OF THE WEST YORKSHIRE AND YORK INVESTMENT COMMITTEE HELD ON FRIDAY, 16 JUNE 2017 AT COMMITTEE ROOM A, WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS

---

**Present:**

| | |
|---|---|
| Councillor Susan Hinchcliffe (Chair) | Bradford Council |
| Roger Marsh OBE | Leeds City Region Enterprise Partnership |
| Councillor Barry Collins | Calderdale Council |
| Councillor Richard Lewis | Leeds City Council |
| Councillor Peter McBride | Kirklees Council |
| Councillor Alex Ross-Shaw | Bradford Council |

**In attendance:**

| | |
|---|---|
| Councillor Eric Firth | WYCA Transport Committee |
| Melanie Corcoran | WYCA |
| Angela Taylor | WYCA |
| Colin Blackburn | WYCA |
| Sally Hinton | WYCA |
| Rachel Jones | WYCA |
| Rebecca Cheung | WYCA |
| Tom Gifford | WYCA |
| Jess McNeill | WYCA |
| David Shepherd | WYCA |
| Henry Rigg | WYCA |
| Heather Waddington | WYCA |
| Ruth Chaplin | WYCA |

**38. Apologies for Absence**

Apologies for absence were received from Councillors Ian Gillies and Denise Jeffery.

**39. Declarations of Disclosable Pecuniary Interests**

In respect of agenda item 6, Capital Spending & Project Approvals (Leeds University High Speed Rail College), Roger Marsh OBE declared an interest as a member of the University of Leeds Council.

**40. Exempt Information - Possible Exclusion of the Press and Public**

**Resolved:** That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix A to Agenda Item 7 and Appendices A and B to Agenda Item 8 on the grounds that they are likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and for the reasons set out in the report that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**41. Minutes of the Meeting of the West Yorkshire and York Investment Committee held on 8 March 2017**

Further to minute 36, Capital Spending and Project Approvals (Enterprise Zone Phase 2), it was reported that feasibility work was being undertaken and a report would be prepared for a future meeting of the Committee.

Further to minute 36, Capital Spending and Project Approvals (Leeds District Heat Network), it was reported that further work was being done on the business case and this would be considered at a future meeting of the Committee.

**Resolved:** That the minutes of the West Yorkshire and York Investment Committee held on 8 March 2017 be approved and signed by the Chair.

**42. Leeds City Region Growth Deal Delivery**

The Committee considered a report which provided an update on:

- the terms and conditions for receipt of the Growth Deal award 2017/18 including Key Performance Indicators;
- progress made in implementing and achieving Growth Deal target expenditure 2016/17;
- the Growth Deal 2019/20 Review progress;
- profiled expenditure for the 2017/18 financial year; and also to seek agreement to endorse the revised estimate of profiled expenditure on the Programme up to 2020/21; and
- to agree the source of budget for the Finance Yorkshire Extension Fund.

Members noted the payment arrangements for the Growth Deal for 2017/18. This included the revised payment schedule for the remainder of the programme and the progress towards achievement of the seven proposed KPIs which were detailed in Appendix A. In noting the revised spending profile which included the additional Growth Deal 3 allocation, it was highlighted that the profile did not match the Dashboard attached at Appendix B. This was because the profile is based on currently approved projects and the Dashboard includes estimates of pipeline spend

which cannot be verified until the Full Business Case and Finalised Costs are approved.

It was reported that, subject to confirmation in the WYCA statutory financial accounts, the final outturn spend on the Growth Deal 2016/17 was £84.77m which represented 98% achievement of profiled spend.

The progress and overall programme risk with projects in the West Yorkshire plus Transport Fund Pipeline, detailed in Appendix C, was noted. Members endorsed the proposal for additional criteria to be taken into consideration when considering the Red, Amber, Green (RAG) rating of pipeline projects which were outlined in the submitted report.

The Committee noted the table in paragraph 3.9 of the report which detailed the forecast timetable for achieving the two main output targets for the Growth Deal – the creation of 10,000 jobs and building 2,000 new homes. It was recognised that some projects would only achieve the outputs indirectly and, in order to be able to claim these outputs, all LEPS had to identify Growth Deal impact sites to be mutually agreed with the Government. This opportunity will be used to engage in further discussions with the Government to consider a wider acknowledgement of the outputs achieved by the Programme.

It was reported that a Gateway Review of the West Yorkshire plus Transport Fund was to be undertaken and SQW Consultants had been appointed at a national level to undertake the Growth Deal progress reviews. The principles of a National Framework had been developed by SQW and a summary was attached at Appendix D to the submitted report. Following agreement of the National Framework, SQW will work with the Leeds City Region to develop a 'Locality Framework' and this will be brought to a future meeting of the Investment Committee for consideration.

Members discussed the Finance Yorkshire Extension Fund and supported the proposal to specifically allocate the £511,500 already approved from the Access to Capital Grants programme. They recommended that as the loans were repaid the income to WYCA should be recycled into the Access to Capital Grants programme.

Resolved:

(i) That the proposed KPIs for 2017/18 as detailed in Appendix A of the submitted report be endorsed.

(ii) That the revised spending profile for 2017/18 as detailed in paragraph 2.6 of the submitted report be endorsed.

(iii) That the final outturn estimate for Growth Deal of £84.77m for 2016/17 be noted.

(iv) That the inclusion of an additional criteria - "achievement of target dates for submission of Outline and Final Business Cases", be taken into consideration

when considering the RAG (red, amber, green) rating of pipeline projects be endorsed.

(v) That the methodology for defining impact areas and therefore establishing the outputs for the Programme be noted.

(vi) That the progress relating to the 2019/20 review be noted.

(vii) That the proposal to specifically allocate the Finance Yorkshire Extension Fund £511,500 (already approved) from within the Access to Capital Grants Programme be supported and that as loans are repaid the income to WYCA is recycled in the Access to Capital Grants Programme.

**43. Capital Spending and Project Approvals**

The Committee considered a report on proposals for the progression of, and funding for, a number of West Yorkshire plus Transport Fund and Growth Deal projects at Stages 1, 2 and 3 of the Assurance Process.

The summary business cases for the following 19 schemes, which were attached as appendices to the submitted report were considered:

| | |
|---|---|
| Leeds Public Transport Investment Programme (LPTIP) | Decision Point 2 |
| Leeds Bradford Airport Station | Decision Point 2 |
| ULEV Taxi Scheme | Decision Point 2 |
| Knottingley Rail Station P&R | Decision Point 2 |
| Rail Park & Ride Phase 2 | Decision Point 2 |
| Elland Station (Calder Valley Line) | Decision Point 2 |
| LCR Flood Alleviation for Growth Programme | Decision Point 2 |
| Corridor Improvement | Decision Point 2 |
| Strategic Inward Investment Fund | Decision Point 2 |
| Digital Sector Soft Landing Scheme | Decision Point 2 |
| Business Growth Programme | Decision Point 2 |
| Bradford Darley Street | Decision Point 1 |
| Leeds University High Speed Rail College | Decision Point 1 |
| Bradford Forster Square Station Gateway | Decision Point 3 |
| LEP Loan – Gateway 45 | Decision Point 4 |
| LEP Loan – Fresh Pastures | Decision Point 4 |
| Tackling Fuel Poverty Phase 4 | Decision Point 5 |
| Better Homes | Activity 6 – Change Request |
| Wakefield Civic Quarter | Activity 6 – Change Request |

The Committee discussed the ULEV Taxi Scheme and it was noted that discussions would continue with the local authorities over the next few months. The development costs required to progress the scheme would be funded from the OLEV

grant.

Members discussed the Activity 6 Exception Report for Wakefield Civic Quarter and noted that a condition of the approved £1.1m grant was that it was repaid to a maximum of £1.1m from a 50:50 share of any disposal proceeds. The Investment Committee recommended that if the disposal involved a complex funding package and a lesser share was proposed, a further exception report would brought to the Investment Committee for consideration.

It was noted that all schemes entering into the Assurance Process are considered for the eligibility for WYCA funding through an assessment of an Expression of Interest. There were currently two schemes under consideration which have been submitted with no current funding source available, Bradford Darley Street and Leeds University High Speed Rail College and these could be submitted to a future meeting of the Investment Committee for consideration should funding become available.

The Committee was provided with details of approvals made through delegation to WYCA's Managing Director for the following schemes:

- Project Primrose – Global Shared Services Centre Decision Point 4 (Full Business Case)
- West Yorkshire Cycling & Walking to Work Fund Decision Point 5 (Full Business Case with Finalised Costs)
- West Yorkshire & York Broadband Programme (Change Request)

It was also reported that the following five schemes had progressed from the Programme Appraisal Team (PAT) directly to WYCA on 6 April 2017:

- West Yorkshire Cycling & Walking to Work Fund Case Paper (Activity 2)
- National Productivity Investment Fund (NPIF) Case Paper (Activity 2)
- Global Shared Services Centre Case Paper (Activity 2)
- Leeds City Region HS2 Growth Strategy Phase 2
- Steeton and Silsden Active Travel Access

Members were advised that the above schemes had not been considered by Investment Committee due to the time contraints of the funding streams or the need for an urgent decision.

**Resolved:**

(i) In respect of the **Leeds Public Transport Investment Programme (LPTIP) (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the LPTIP proceeds through Decision Point 2 and the work commences on Activity 3: Outline Business Case on each of the project's identified workstreams within the programme.
- that an indicative approval to the total programme value of

£183.266m is given, with ultimate approval to spend being granted once the individual schemes have progressed through the Assurance Process to Decision Point 5.

- that approval is given to WYCA's contribution of £0.966m. This will be funded from the remainder of the WYCA funding, which had previously been approved for use on the NGT Project.
- that development costs of £15.310m from the DfT's £173.5m contribution for the development of the programme is approved, and that WYCA enter into a Funding Agreement with Leeds City Council for expenditure of up to £11.535m.
- that individual schemes within the programme are brought forward through the Assurance Process along their own Assurance Pathway, Approval Route and Approval Tolerance for the programme be approved.

(ii) In respect of the **Leeds Bradford Airport Station (part of the LPTIP) Scheme (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the Leeds Bradford Airport Rail Station scheme proceeds through Decision Point 2 and commences work on Activity 3 (Outline Business Case);
- that an indicative approval to the total programme value of £25.0m is given, with ultimate approval to spend being granted only once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that development costs of £0.50m from the Leeds Public Transport Investment Programme for the development of the scheme be approved.
- that the future approvals at Decision Point 3 & Decision Point 4 (Full Business Case) are made through a delegation to WYCA's Managing Director, with the scheme returning to the Investment Committee and WYCA at Decision Point 5.

(iii) In respect of the **ULEV Taxis Scheme (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the ULEV Taxi Scheme proceeds through Decision Point 2 and the work commences on Activity 5: (Full Business Case with Finalised Costs);
- that an indicative approval to the total project value of £3.180m is given, with ultimate approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that the development costs of £25,000 are approved in order to progress the scheme to Decision Point 5 (Full Business Case with Finalised Costs) from the OLEV grant.
- That the future approvals at Decision Point 5 are made through a delegation to WYCA's Managing Director. This approval route will be

subject to the scheme remaining within the tolerances outlined above.

(iv) In respect of **Knottingley Station Park & Ride (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the Knottingley Rail Station Park & Ride project proceeds through Decision Point 2 and the work commences on Activity 4 (Full Business Case);
- that an indicative approval to the total project value of £1.78m is given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that development costs of £474,259 to be funded from the West Yorkshire plus Transport Fund be approved in order to progress the scheme to Decision Point 4;
- that the future approvals at Decision Point 4 are made through a delegation to WYCA's Managing Director following consideration and recommendation by the Investment Committee. Approval at Decision Point 5 will be made through the delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above.

(v) In respect of the **Rail Park & Ride Phase 2 (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the Rail Park & Ride Phase 2 programme proceeds through Decision Point 2 and the work commences by the individual schemes on Activity 4 (Full Business Case);
- that an indicative approval to the total programme value of £12.5m is given, with ultimate approval to spend being granted once the individual schemes have progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs). This will be funded through West Yorkshire plus Transport Fund funds re-profiled from Phase 1 of Rail Park & Ride;
- that the development costs of £477,100 are approved in order to progress the schemes to Decision Point 4;
- that the individual schemes return to Investment Committee and WYCA for approval at Decision Point 4 (Full Business Case) where the proposed approval route for Decision Point 5 through a delegation to WYCA's Managing Director will be confirmed. This Approval Route will be subject to the schemes remaining within the tolerances outlined above.

(vi) In respect of **Elland Station (Calder Valley Line) (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the Elland Station Package scheme should replace the Calder Valley Line Enhancement scheme within the West Yorkshire plus Transport

Fund;

- that the Elland Station project proceeds through Decision Point 2 and the work commences on Activity 3 (Outline Business Case);
- that an indicative approval to the total project value of £22.036m be given, with ultimate approval to spend being granted once the scheme has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that development costs of £884,748 be approved in order to progress the scheme to Decision Point 3, and that WYCA enter into a Funding Agreement with Calderdale Council for expenditure of up to £834,748 to be funded from the West Yorkshire plus Transport Fund. The remaining £50,000 will be funded directly by Calderdale Council;
- that the future approvals at Decision Point 3 and Decision Point 5 are made through a delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above. The scheme will return to the Investment Committee and WYCA at Decision Point 4 (Full Business Case).

(vii) In respect of the **LCR Flood Alleviation for Growth Programme (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the Leeds City Region Flood Alleviation for Growth Programme proceeds through Decision Point 2 and the work by the individual schemes commences on Activity 3 (Outline Business Case);
- that an indicative approval to WYCA's remaining £12.2m contribution to the total programme value of £77m is given, with ultimate approval to spend being granted once the schemes have progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that the individual schemes will return to the Investment Committee for consideration and WYCA for approval at Decision Point 3 (Outline Business Case) or Decision Point 4 (Full Business Case), based on the level of detail produced by the Environment Agency business case process. At this stage individual Assurance Pathways and Approval Routes will be set for each scheme.

(viii) In respect of the **Corridor Improvement Programme (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the Corridor Improvement Programme, Phase 1 proceeds through Decision Point 2 and the work commences on the 13 individual schemes on Activity 3 (Outline Business Case);
- that an indicative approval to the Phase 1 programme value of £67.8m be given, with ultimate approval to spend being granted once the individual schemes have progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that development costs of £4,482,500 are approved in order to

progress the 13 individual schemes in Phase 1 to Decision Point 3 (Outline Business Case) to be funded from the WY+TF. This will include £0.408m of WYCA Programme Management costs. That WYCA enter into a Funding Agreement:

- with Bradford for expenditure of up to £1.245m;
- with Calderdale for expenditure of up to £0.430m;
- with Kirklees for expenditure of up to £0.800m;
- with Leeds for expenditure of up to £1.525m; and
- with Wakefield for expenditure of up to £0.075m;

- that the individual schemes will return to Investment Committee (for recommendation) and WYCA (for approval) at Decision Point 3 (Outline Business Case). As part of this approval, individual Assurance Pathways and Approval Routes will be set for each scheme.

(ix) In respect of the **Strategic Inward Investment Fund (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the Leeds City Region Strategic Inward Investment Fund proceeds through Decision Point 2 and the work commences on Activity 5 (Full Business Case with Finalised Costs);
- that an indicative approval to the total scheme value of £12.45m Strategic Inward Investment Fund be given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that the future approvals at Decision Point 5 are made through a delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above.

(x) In respect of the **Digital Sector Soft Landing Scheme (Decision Point 2)**, the Investment Committee recommends to WYCA that:

- the Digital Sector Soft Landing Scheme proceeds through Decision Point 2 and the work commences on Activity 5 (Full Business Case with Finalised Costs);
- that an indicative approval to the total scheme value of £1m is given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that the future approval at Decision Point 5 is made through a delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above.

(xi) In respect of the **Business Growth Programme (Decision Point 2)**, the Investment Committee recommends that:

- the Business Growth Programme proceeds through Decision Point 2

and the work commences on Activity 5 (Full Business Case with Finalised Costs);

- that an indicative approval to the total scheme value of £9m is given, with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that the future approval at Decision Point 5 is made through a delegation to WYCA's Managing Director. This approval route will be subject to the scheme remaining within the tolerances outlined above.

(xii) In respect of **Bradford Forster Square Station Gateway (Decision Point 3)**, the Investment Committee recommends to WYCA that:

- the Bradford Forster Square Station Gateway project proceeds through Decision Point 3 and the work commences on Activity 4 (Full Business Case);
- that an indicative approval to the total project value of £17.311m is given (which includes a £17.061m contribution for WY+TF), with ultimate approval to spend being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that development costs of £3,671,314 to be funded from the WY+TF are approved in order to progress the scheme to Decision Point 4 (Full Business Case). That WYCA issues an addendum to the existing Funding Agreement with Bradford Council for expenditure of up to £3,671,314;
- that the scheme will return to Investment Committee (for recommendation) and WYCA (for approval) at Decision Point 4, with the intention that approval at Decision Point 5 (Full Business Case with Finalised costs) will be made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances confirmed at Decision Point 4.

(xiii) In respect of the **Gateway 45 Loan (Decision Point 4)**, the Investment Committee recommends to WYCA that:

- the Gateway 45 loan proceeds through Decision Point 4 and the work commences on Activity 5 (Full Business Case with Finalised costs);
- that an indicative approval to the total loan value of £3.3m is given, with ultimate approval to the loan being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that Leeds City Council are instructed that the current charge held as security for the earlier £3m LEP loan is released and imposed solely on part of the site;
- that the approval of the loan agreement at Decision 5 is made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances set out above.

(xiv) In respect of the **Fresh Pastures Loan (Decision Point 4)**, the Investment Committee recommends that:

- the Fresh Pastures loan proceeds through Decision Point 4 and the work commences on Activity 5 (Full Business Case with Finalised costs);
- that an indicative approval to the total loan value of £0.8m is given, with ultimate approval to the loan being granted once the project has progressed through the Assurance Process to Decision Point 5 (Full Business Case with Finalised Costs);
- that the approval of the loan agreement at Decision 5 is made through the delegation to WYCA's Managing Director, subject to the scheme remaining within the tolerances set out above.

(xv) In respect of **Tackling Fuel Poverty Phase 4 (Decision Point 5)**, the Investment Committee recommends to WYCA:

- the approval of the reduction of LGF investment of Phase 1 of the Tackling Fuel Poverty Programme from £2,857,177 to £2,709,000, due to the withdrawal of the Calderdale Almshouse scheme;
- the approval of Phase 4 of the Tackling Fuel Poverty Programme for delivery in targeted areas of Calderdale and Kirklees to progress from Activity 5 (FBC with Finalised Costs) to Activity 6 (Delivery). The reduction of Phase 1, together with the inclusion of Phase 4 projects, brings the total LGF investment in the Tackling Fuel Poverty Programme to £6m. This is in line with the indicative budget noted in the report to November 2016 Investment Committee;
- the approval of WYCA funding of £1,007,800 and that WYCA enters into a Funding Agreement with Kirklees for expenditure of up to £500,000 and with Calderdale for expenditure of up to £507,800, authorise delegation to the MD to finalise the agreements.

(xvi) In respect of **Better Homes – Activity 6 - Change Request**, the Investment Committee recommends to WYCA the approval of the exception that Year 1-3 baseline targets in respect of the following KPIs for the Better Homes programme:

- Target number of homes improved revised from 12,000 to 3,580.
- Suspension of marketing and assessment targets.
- Revise target apprenticeships created, to apprenticeships supported.
- That the Better Homes Yorkshire KPIs are updated in accordance with Schedule 11 of the Framework Agreement.

(xvii) In respect of **Wakefield Civic Quarter – Activity 6 Exception Report**, the Investment Committee recommends to WYCA the approval of the following

exception:

- That a condition of the approved £1.1m grant for the Wakefield Civic Quarter project is that it is repaid (to a maximum amount of £1.1m) from a 50:50 share of any disposal proceeds. If the disposal involves a complex funding package and a lesser share is proposed, a further exception report will be prepared for the Investment Committee.

**44. LEP Loan 102**

The Committee considered a report which provided an update on the situation relating to a project that received a LEP loan in 2013.

It was noted that their meeting on 4 January 2017, the Committee had recommended the approval of £200k grant funding, on an exceptional basis, to a project already in receipt of a LEP loan. Members were provided with an update on the progress of the project which currently continues to operate and deliver benefits and outputs. It was reported that the risks related to the situation are being carefully monitored.

**Resolved:**

(i) That it be noted the project is considered to be a high risk.

(ii) That the next steps, as detailed in the exempt appendix, be supported.

(iii) That it be recommended to WYCA that any future decisions with financial implications be progressed through delegation to the Managing Director in consultation with the Chairs of the Investment Committee and Investment Panel.

**45. ESIF Sustainable Urban Development**

The Committee considered a report on the draft SUD Call.

Members considered the full Call which had been produced in draft form and covering note which were attached as exempt appendices to the submitted report. It was recommended that the draft Call be recommended for approval by WYCA at its meeting to be held on 29 June 2017 prior to formal publication by the DCLG.

**Resolved:** That the Investment Committee recommends to WYCA the approval of the draft SUD Call.