

Report to: West Yorkshire & York Investment Committee

Date: 4 July 2018

Subject: **Capital Programme Update**

Director(s): Melanie Corcoran, Director of Delivery

Author(s): Lynn Cooper, Lisa Childs

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

- 2.1 At the previous Investment Committee on 5 June 2018 members received a report on the performance of expenditure on the Combined Authority capital programme for 2017/18. Reports will now be submitted to each Investment Committee setting out performance in relation to the capital programme for 2018/19. Table 1 below summarises the capital programme for 2018/19 agreed by the Combined Authority at its meeting on 1 February 2018.

Table 1

Capital Funding Programme	Budget Expenditure 2018/19
Growth Deal (inc West Yorkshire plus Transport Fund)	£102,080,000
Call for Projects	£14,282,000
Leeds Public Transport Investment Programme (LPTIP)	£15,000,000
Local Transport Plan Integrated Transport Block and National Productivity Investment Fund (NPIF)	£13,104,000
Highways Maintenance Block / Incentive Fund	£28,403,000
Pothole Action Fund	£2,231,000
DFT Cycle City Ambition Grant (CCAG)	£4,094,000
WY Cycling and Walking Fund	£1,121,000
Ultra Low Emission Vehicles	£1,027,000
WY Broadband Programme	£3,646,000
Growing Places Fund	£4,550,000
WYCA Corporate Projects	£5,300,000
Total	£194,838,000

Investment Committee reports will now focus on different programmes at each meeting concentrating on key issues and milestones for each one. Expenditure will be monitored quarterly and updated at the next available Investment Committee. This report is focused on key issues and activity relating to the Growth Deal and the Leeds Public Transport Investment Programme (LPTIP).

- 2.2 Individual project sponsors provide feedback on outputs achieved against target in accordance with a set timetable at the end of each quarter. This information will also be updated at the relevant Investment Committee following the quarter end date.

Growth Deal

- 2.3 Growth Deal project expenditure is usually monitored monthly, except for partner councils Transport Fund projects which are monitored quarterly. However during the first quarter of 2018/19 formal monitored of expenditure has not been undertaken as the aim is to undertake full monitoring of spend and performance on all projects through the new Portfolio Implementation Management System (PIMS) at the end of the quarter 1. This has allowed Delivery Directorate resources to focus on populating the new system.
- 2.4 Activity has also been undertaken to agree the quarterly forecasts for all projects for 2018/19 and annual expenditure for the remaining two years of the programme for all projects. Table 2 below details the forecast spend across each Growth Deal priority in 2018/19 and the attached Appendix 1 details the profiled annual expenditure for the programme across its six year lifetime.

Table 2

	Target spend 2018/19
Priority 1 - Business	£6.68m
Priority 2 - Skills Capital	£15.62m
Priority 3 - Environmental Infrastructure	£2.18m
Priority 4a - Housing and Regeneration	£6.21m
Priority 4b - West Yorkshire plus Transport Fund	£61.31m
Priority 4c - Flood Resilience	£2.62m
Priority 4d - Enterprise Zones	£5.40m
Combined Authority Programme Management	£2.00m
Total	£102.02m*

*Note: this forecast varies slightly from the original forecast from February 2018 as forecasts just been updated on all projects

- 2.5 The Growth Deal dashboards are attached as Appendix 3 and 4. Whilst actual spend will not be included for the current financial year until the quarter 1 monitoring is undertaken these spreadsheets set out: actual spend for each previous financial year up to 2017/18, forecast spend for 2018/19 and forecast spend for the remaining two years of the current programme period.

Growth Deal RAG Ratings

- 2.6 All projects within the Growth Deal are RAG rated based on criteria agreed by the Investment Committee at its meeting on 16 June 2017. These criteria principally relate to performance of actual spend against annual forecast within the current financial year. However it is a requirement of the Cities and Local Growth Unit (CLOG) (the Government Unit which manages the Growth Deal) that all of the all Growth Deal projects are also rated in accordance with Government RAG rating criteria (Appendix 4). This RAG rating covers three different types of issues: delivery, finance and reputation.
- 2.7 Whilst the achievement of annual spend target by each project has been a key focus for the programme to date the delivery of projects and outputs is the ultimate aim. In order to reflect both the issues of the longer term achievement of the programme and the achievement of in-year spend it is proposed that in future both RAG ratings will be reported to the Investment Committee.
- 2.8 It is also proposed that the in-year RAG rating which takes into consideration short term spend and delivery should be formalised and brought in line with the CLOG RAG rating. The proposed revised RAG rating is attached for consideration as Appendix 5.

Leeds Public Transport Investment Fund (LPTIP)

- 2.9 Funding for the LPTIP was secured from the Department for Transport (DfT) in May 2017. The programme consists of £173.5 million from DfT, £8.8 million from Leeds City Council (LCC) and £1.0 million from the Combined Authority (total £185.3million). In addition to this is further match funding: £71 million from First, £15 million from potential S.106 contributions and further match from LCC land contributions. Funding has been secured on the basis that the programme is approved through the Combined Authority assurance process and individual funding requests are considered by Programme Appraisal Team and Investment Committee.
- 2.10 In April 2018 a revised Programme structure was agreed which allows the LPTIP programme board to consider the wider context and strategic decisions, with more of the individual package and project decisions being delegated to package board level.

Delivery

- 2.11 Early in March a review meeting was held with DfT who agreed the revised programme structure and financial & programme reporting format. DfT are

very focussed on the partnership being able to commit and spend the £173.5 million by the end of 2021.

- 2.12 The Programme is divided into a number of packages, each having their own package leads and boards.

Package	Projects	lead	status
Bus priority corridor	A61 North A647 A58 A660 A61 south Lawnswood	LCC	Most schemes within this package are being effectively managed by WSP who are making good progress with pulling together outline business cases and public consultation exercises.
Park & Ride	Alwoodley Gates Stourton Elland Road (phase 3)	LCC	Stourton park & ride is the first to come forward, further public consultation on the scheme will be undertaken shortly.
Rail	Rail accessibility New Pudsey P&R Airport Parkway station Thorpe Park station White Rose station Leeds station	CA	New Pudsey park & ride outline business case is being drafted. The new stations have had strategic outline business case submissions to DfT in the past few weeks and are making good progress.
Bus network	Transport Hubs & connecting communities Realtime Core network transformation Leeds bus station Community transport Low emissions	CA	Realtime screens are ordered and progress being made to appoint installation contractors.

LPTIP Finances

- 2.13 In April 2017 Investment Committee approved an initial £15.3 million of expenditure to allow the partnership to begin development of the schemes within the programme. In addition to this, further approvals have been granted which include £500,000 for development of the airport parkway station, £1.74 million for Realtime, and £500,000 for Leeds Station masterplan. Giving a total approved to date through the assurance process of £18.04 million.
- 2.14 Financial re-profiling has been challenging due to the tight timescales being imposed by DfT, and the challenges of delivering complex schemes within the timescales and budgets identified. Future funding of the new rail stations projects is yet to be identified as the LPTIP programme is only covering project development.
- 2.15 The profiled spend for 2018/19 is currently £15 million, though it is likely to be challenging to meet these targets given the embryonic nature of many of the schemes within the programme. The partnership are working hard to accelerate delivery wherever possible.

3. Financial Implications

3.1 Financial implications are set out within 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 Capital Programme; and
- Agrees to recommend the proposed revision of the Growth Deal RAG rating to include an overall RAG rating as detailed in Appendix 4 and an in-year RAG detailed in Appendix 5.

8. Background Documents

8.1 None.

9 Appendices

Appendix 1 – Growth Deal Actual and Forecast Expenditure 2015/16 to 2020/21

Appendix 2 – Growth Deal Dashboard

Appendix 3 – West Yorkshire plus Transport Fund Dashboard

Appendix 4 – Growth Deal Overall RAG Rating Criteria (as per Cities and Local Growth Unit)

Appendix 5 – Growth Deal Proposed In-Year RAG Rating