

**MINUTES OF THE MEETING OF THE
WEST YORKSHIRE COMBINED AUTHORITY
HELD ON THURSDAY, 11 OCTOBER 2018 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Councillor Susan Hinchcliffe (Chair)	Bradford Council
Councillor Judith Blake CBE	Leeds City Council
Councillor Peter Box CBE	Wakefield Council
Councillor Barry Collins (Substitute)	Calderdale Council
Councillor Stewart Golton	Leeds City Council
Councillor David Hall	Kirklees Council
Roger Marsh OBE	Leeds City Region Enterprise Partnership
Councillor Shabir Pandor	Kirklees Council
Councillor John Pennington	Bradford Council
Councillor Andrew Waller	City of York Council

In attendance:

Councillor Robert Light	Chair, Overview & Scrutiny Committee
Richard Thorpe	Ministry of Housing, Communities & Local Government (minute 54 only)
Ben Still	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Dave Pearson	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Heather Waddington	West Yorkshire Combined Authority (minute 54 only)
Jacqui Warren	West Yorkshire Combined Authority (minute 54 only)
Seamus McDonnell	West Yorkshire Combined Authority (minute 54 only)
Ruth Chaplin	West Yorkshire Combined Authority

42. Apologies for Absence

Apologies for absence were received from Councillor Tim Swift.

43. Declarations of Disclosable Pecuniary Interests

There were no pecuniary interests declared by members at the meeting.

44. Exempt Information - Possible Exclusion of the Press and Public

Resolved:

- (a) 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 the appendices to Agenda Items 11 and 13 on the grounds that it is 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.
- (b) That in accordance with paragraph 5 of Part 1 to Schedule 12A to the Local Government Act 1972, the public be excluded during consideration of Appendices 1 & 2 to Agenda Item 12 on the grounds that they contain legally privileged information and if members of the press and public were present there would be disclosure to them of exempt information. It is considered that the public interests in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice legal proceedings.

45. Minutes of the Meeting of the Combined Authority held on 2 August 2018

Resolved: That the minutes of the meeting of the West Yorkshire Combined Authority held on 2 August 2018 be approved and signed by the Chair.

46. Capital Spending and Project Approvals

The Combined Authority considered a report of the Director of Delivery on the progression and funding for the following schemes through the Combined Authority's assurance process:

- Warm Homes Fund round 2a
- Calderdale multi-modal transport model
- Superfast Broadband West Yorkshire and York – Contract 3
- Corridor Improvement Programme Phase 1 – A62 Smart Corridor
- Glasshoughton southern link road

Details of the five schemes were provided in the submitted report and it was noted that these had been considered and recommended for approval by the Investment Committee.

Members also considered expenditure approvals for the Business Growth Programme and Resources Efficiency Fund which were detailed in the submitted report.

Resolved:

(a) In respect of Warm Homes Fund round 2a -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the Warm Homes Fund phase 2a proceeds through decision point 2 and work commences on activity 5 (full business case with finalised costs):
- (ii) That an indicative approval is given to the total project value of £4.688 million and the Combined Authority funding contribution of £3.451 million with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The remainder will be funded by local authority partners, social housing providers and with private sector match funding on a case by case basis.
- (iii) That future approvals are made in accordance with the assurance pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

(b) In respect of Calderdale multi-modal transport model -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the Calderdale Multi-Modal Model project proceeds through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval is given to the West Yorkshire Combined Authority's contribution of £389,000 (which will be funded through £64,000 from the West Yorkshire plus Transport Fund and £325,000 from the other Transport Fund projects which are already approved) is given with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The total project value is £629,000.
- (iii) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to

West Yorkshire Combined Authority's Managing Director following a recommendation by West Yorkshire Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (c) In respect of Superfast Broadband West Yorkshire and York – Contract 3 -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the superfast broadband contract 3 project proceeds through decision point 2 (case paper) and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval is given to the total project value of £16.428 million from the funding sources outlined in the submitted report for which the Combined Authority is the accountable body, with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) That approval is given to reallocate all or part of the BET Refund funding from Contract 2 to Contract 3 as actioned at decision point 5 full business case with costs.
- (iv) That development costs of £120,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs).
- (v) That the Combined Authority enter into a Service Level Agreement/Funding Agreement if required with Leeds City Council for expenditure up to £120,000 development funding.
- (vi) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 (full business case with finalised costs) through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.

- (d) In respect of the Corridor Improvement Programme – A62 Smart Corridor -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the A62 Smart Corridor Phase 1 project proceeds through decision point 3 and work commences on activity 4 (full business case).
 - (ii) That an indicative approval is given to the total project value of £8.756 million and the Combined Authority contribution (from the West Yorkshire plus Transport Fund) of £7.906 million (£406,000 increase from approved expression of interest scheme total) with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs). The remainder will be funded by £850,000 of ESIF funding yet to be confirmed.
 - (iii) That development costs of £605,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), and that the Combined Authority issue an addendum to the existing funding agreement with Kirklees Council for expenditure of up to £605,000 from the West Yorkshire plus Transport Fund taking the total approval to £855,000.
 - (iv) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the submitted report.
- (e) In respect of Glasshoughton Southern Link Road -

That following a recommendation from the Investment Committee, the Combined Authority approves:

- (i) That the Glasshoughton Southern Link Road project proceeds through decision point 4 and work commences on activity 5 (full business case with finalised costs).
- (ii) That an indicative approval to the total project value of £7.320 million is given from the West Yorkshire plus Transport Fund with full approval to spend being granted once the scheme has progressed through the assurance process to decision point 5 (full business case with finalised costs).
- (iii) That development costs of £245,000 are approved in order to progress the scheme to decision point 5 (full business case with finalised costs), taking the total project approval to £978,000.
- (iv) That the Combined Authority enters into an addendum to the existing funding agreement with Wakefield Council for additional expenditure of up to £245,000 from the West

Yorkshire plus Transport Fund. This takes the total funding agreement amount to £978,000.

- (v) That future approvals are made in accordance with the approval pathway and approval route outlined in the submitted report including at decision point 5 through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team.

- (f) In respect of the Business Growth Fund -

That the Combined Authority approves additional expenditure of £4 million for the Business Growth Programme funded through the Local Growth Fund taking the total approval to £27 million.

- (g) In respect of the Resource Efficiency Fund -

That the Combined Authority confirms approval of the total scheme costs of £1.984 million for the Resource Efficiency fund comprising £840,000 Local Growth Fund (LGF) and £1.144 million European Regional Development Fund (ERDF).

47. Budget Planning 2019/20

The Combined Authority considered a report of the Director of Resources which provided a further update on the business planning process and revenue budget planning for 2019/20.

The ongoing work in respect of the draft 2019/20 budget and progressing the business planning process was noted. The timetable and issues to be addressed in updating the draft budget were outlined in the submitted report and Members were advised that further work is being undertaken to review and clarify the figures. A detailed budget proposal will be brought to the next meeting and public engagement on the budget will take place over the Autumn.

Resolved: That the report be noted.

48. Leeds City Region Brexit Resilience and Opportunities Assessment

The Combined Authority considered a report of the Interim Director of Policy and Strategy on Leeds City Region Brexit resilience and opportunities assessment.

Members noted the progress on the work being undertaken to prepare and support the City Region's business and communities ahead of the UK's withdrawal from the EU. They discussed the need to support local small and medium sized enterprises (SMEs), particularly in respect of training to fill the skills gaps and the new employment opportunities which will arise.

The report also outlined a range of additional policy and funding issues post Brexit and Members discussed the key policy themes and potential future resource opportunities including the UK Shared Prosperity Fund.

Roger Marsh, who had been appointed Chair of the newly recently created Northern Powerhouse 11 (NP11), advised the meeting that NP11 was helping businesses to prepare and face the challenges ahead. It was hoped that they would be able to work with Government on future funding opportunities to ensure a smooth transition from European funding.

A progress report would be prepared for a future meeting.

Resolved: That the work and progress to date in supporting the City Region's businesses and communities ahead of the UK's departure from the EU be noted and endorsed.

49. Strengthened Local Enterprise Partnerships

The Combined Authority considered a report of the Managing Director which provided an update on the Leeds City Region Enterprise Partnership's (the LEP's) response to the Government's 'Strengthened Local Enterprise Partnerships' report.

It was reported that at their meeting on 20 September 2018, the LEP Board had resolved that in order to submit a 'compliant' response to Government, to propose that a new LEP be created by combining the York, North Yorkshire and East Riding LEP, except for the East Riding, and the Leeds City Region Enterprise Partnership, except for Barnsley. A copy of the LEP Board's response, which was submitted by the LEP Chair on 28 September 2018, was attached at Appendix 1 to the submitted report.

Members discussed the next steps and the LEP's position in relation to the Government's requirements on LEP leadership, capacity, accountability and performance and a summary was provided at Appendix 2. It was recognised that the Leeds City Region had good working relationships with its neighbouring areas and joint discussions would continue with partners in the York, North Yorkshire and East Riding LEP. Collaboration would also be strengthened across all neighbouring LEPs, via the NP11 and with Yorkshire Leaders.

Further reports would be brought to future meetings about the implementation implications for the Combined Authority once Government has responded to the geography proposal.

Resolved:

- (a) That the proposal from the LEP for a new merged LEP to cover the whole of West and North Yorkshire and York, as detailed in Appendix 1 to the submitted report, be noted and endorsed.
- (b) That the Combined Authority notes how the LEP and Combined Authority are positioned in respect of Government's

recommendations on leaderships, capacity, accountability and performance as detailed in Appendix 2 of the submitted report.

- (c) That further reports be brought to future meetings on the detail of relevant legal changes when known.

50. Rail Performance and Governance Update

The Combined Authority considered a report of the Director of Transport Services which:

- Provided an update on the performance of local rail services following discussion at the last meeting which was attended by Network Rail and train operators Northern and TransPennine Express.
- Advised Members of progress with the reviews into rail performance and governance following the issues emerging in May 2018.
- Advised Member of arrangements proposed to improve engagement between the Combined Authority and the rail industry.

Members were extremely concerned that services were still failing to operate at an acceptable level and passengers and the local economy continued to be severely affected. It was reported that over-crowding on “short formed” services (ie. with fewer carriages than required) was also having a massive impact on passengers and the effect on consumer confidence was highlighted. Members were disappointed that although there was a compensation scheme for passengers, not enough people were making claims and considered that the rail operators should do more to publicise the scheme. The poor performance was also impacting on businesses and it was understood that work was being undertaken to develop business compensation packages.

Members discussed the temporary Government appointment of Richard George who would be working closely with TfN, the Rail North Partnership, Network Rail and train operators and it was suggested that he be invited to meet with the Combined Authority.

As the Combined Authority’s representative, Councillor Blake agreed to raise the Combined Authority’s serious concerns at the Transport for the North Rail North Committee. She assured Members that the voice of the City Region would be strongly and firmly heard at both the TfN Rail North Committee and nationally. Members suggested that representatives of the rail industry be invited to the February meeting of the Combined Authority.

In respect of rail governance reviews, it was reported that the Combined Authority’s response to the Rail North (Blake Johnson) Review had been submitted and the Review was expected to report its findings in December 2018. Members were also advised that the Office of Rail and Road (ORR) had published its interim findings into the national timetable disruption and the Secretary of State has launched a major review of the UK rail industry and Roger Marsh is to be part of the report panel for this review. A summary of the preliminary findings was outlined in the submitted report.

It was reported that the Chair of the Transport Committee is to establish a joint forum to enable the Combined Authority Members, train operators, Network Rail, Transport for the North and other key bodies to discuss plans and issues affecting local rail services. In welcoming the establishment of the Rail Forum, Members discussed the Terms of Reference which were attached at Appendix 1 and their comments and suggestions in respect of membership would be brought to the attention of the Chair of the Transport Committee.

Resolved:

- (a) That the update on the impact on passengers of the May 2018 rail timetable change be noted.
- (b) That Councillor Blake, as the Combined Authority's representative on the Transport for the North Rail North Committee, raises the concerns about the impact of prolonged rail disruption and urges further action to restore rail performance to the level required by the respective franchises.
- (c) That the establishment of a West Yorkshire Combined Authority Rail Forum be endorsed and the comments regarding membership be brought to the attention of the Chair of the Transport Committee.

51. Corporate Planning & Performance

The Combined Authority considered a report of the Director of Resources in respect of corporate planning and performance.

Members discussed corporate performance, including progress against priorities, risk management and budget position. Appendix 1 set out the current status of the 14 key Corporate Plan priorities and an update on the key strategic risks.

A summary of the 2018/19 current spend to budget was attached at Appendix 2 and it was noted that there were currently no areas of concern to report.

Resolved: That the report be noted.

52. Channel 4

The Combined Authority considered a report of the Executive Head of Economic Services which provided an update and sought approval of the Combined Authority's bid to attract the Channel 4 national HQ to Leeds City Region.

It was reported that Channel 4 had been holding advanced discussions with the shortlisted regions to clarify and confirm the details within the submitted proposals. Members noted those made by Leeds City Region partners which were set out in the exempt Appendix 1. It was noted that the proposals had been appraised in line with the Combined Authority's

assurance process and a final decision by Channel 4 is expected in the Autumn.

Members welcomed and supported the bid which, if successful, would provide benefits and opportunities for all districts in the City Region. They expressed their thanks and appreciation to all partners across the region who, working with the Combined Authority, had made valuable contributions in preparing the bid.

Resolved:

- (a) That the Combined Authority continues to support the Leeds City Region bid to attract the Channel 4 National HQ.
- (b) That, if successful, approval is given to the recommendations set out in exempt Appendix 1, including the proposal to proceed through the relevant stages of the Combined Authority's assurance process.
- (c) That approval is given to the forecast value of these proposals as set out in the exempt Appendix 1.
- (d) That future approvals are made in accordance with the assurance pathway and approval route outlined in the exempt Appendix 1, including at decision point 5 (full business case) of the assurance process through a delegation to the Combined Authority's Managing Director following a recommendation by the Combined Authority's Programme Appraisal Team. This will be subject to the scheme remaining within the tolerances outlined in the exempt Appendix 1.

53. Corporate Update on Treasury Management

The Combined Authority considered a report of the Director of Resources which provided an update on the legal claim issued against Barclays Bank PLC (Barclays) in respect of loans held by the Combined Authority and the 2006 regulatory findings made against Barclays on the manipulation of LIBOR.

It was reported that Hausfeld LLP had been engaged to provide legal representation to the Combined Authority. Detailed legal advice on the merits of the Combined Authority's claim was expected by 26 October 2018 which was the same date as the claim form that has been issued must be served on Barclays. A decision on whether or not to proceed with the claim would therefore have to be made before the next meeting of the Combined Authority. The legal costs associated with the claim were set out in exempt Appendices 1 and 2.

Resolved: That the Combined Authority's Managing Director be authorised:

- (a) To make a decision following consideration of legal advice and in consultation with the Chair of the Combined Authority and Head of Legal and Governance Services on whether or not to proceed with service of the claim form.

- (b) To take all necessary steps in relation to the proceedings.
- (c) To take such action as is necessary to protect the interests of the Combined Authority.

54. European Structural and Investment Funds (ESIF) - Sustainable Urban Development (SUD)

The Combined Authority considered a report of the Director of Resources on the European Structural and Investment Funds (ESIF) – Sustainable Urban Development (SUD).

It was reported that the Investment Committee had considered the outline assessments forms (attached at exempt Appendices 2-9) and the prioritisation list for SUD (attached at exempt Appendix 1).

In its role as the Intermediate Body (IB), the Combined Authority considered the advice and respective conditions included in the outline assessment forms for each of the eight projects which had been received following the Call. They approved the advice, the selection decision and the prioritisation list and noted that the Ministry of Housing, Communities and Local Government (MHCLG) will finalise its assessment and make its decision. It was agreed that in order to progress applications to avoid delays, the final selection of projects, following the reconciliation to budget, be delegated to the Director of Resources in consultation with the Chair of the Combined Authority as required.

Resolved:

- (a) That the Combined Authority, in its role as the Intermediate Body for the SUD part of the ESIF programme, approves the advice included in the outline assessment forms at Part 3 of each exempt Appendix 2-9, the decision and any respective conditions outlined in Part 5a, and the prioritisation list for SUD included in exempt Appendix 1.
- (b) That the agreement of the final selection of projects, once the Managing Authority has reconciled the budget, be delegated to the Director of Resources in consultation with the Chair of the Combined Authority, as required, to ensure no further delays in progressing applications under the European programme occur.

55. Minutes for Information

- (a) **Minutes of the Overview & Scrutiny Committee held on 13 July 2018**

Resolved: That the minute of the Overview & Scrutiny Committee held on 13 July 2018 be noted.

- (b) **Draft Minutes of the Governance & Audit Committee held on 30 July 2018**

Resolved: That the draft minutes of the Governance & Audit Committee held on 30 July 2018 be noted.

(c) **Draft Minutes of the West Yorkshire & York Investment Committee held on 5 September 2018**

Resolved: That the draft minutes of the West Yorkshire & York Investment Committee held on 5 September 2018 be noted.

(d) **Draft Minutes of the Employment & Skills Panel held on 11 September 2018**

Resolved: That the draft minutes of the Employment & Skills Panel held on 11 September 2018 be noted.